UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 21. Section 1. January 26, 1922

Agricultural Conference Comment

The New York Times to-day says in its review of yesterday's proceedings: "Threats of 'rump conventions' to frame resolutions of an insurgent and pro-bloc type were heard January 25 above the noise of battle in the committees of the National Agricultural Conference when dissatisfied elements came forward with proposals opposing those made by leaders of the convention. The question whether independent meetings will follow the conference depends upon the action taken January 26 and 27 on proposals for the revival of Government functions similar to those of the United States Grain Corporation, that have power to fix minimum prices and take over the farmers' surplus.

"Already a call for another conference has gone out from the Farmers' National Council, whose officers frequently appear before Congressional committees but has furnished little tangible evidence of substantial membership. The Farmers' National Council was not invited to the present session, so, on Friday it will hold one of its own, at which members of the agricultural bloc are to speak before a gathering of 'real dirt' farmers. ...

"The main division in the conference is over proposals for Government price-fixing and revival of the Grain Corporation. Intimations have come from the administration that it is opposed to Government control over prices, and holds that the functions of the War Finance Corporation are sufficient to give financial assistance to the farmers. The insurgents are handicapped by lack of a definite program, and to-day the administration's grip was tightened by the publication of Secretary Mellon's letter to Representative Fordney in which further demands on the Treasury were opposed. Nevertheless, Mr. Mellon's letter did not discourage delegates from putting forward proposals for crop financing that would require $250,000,000 to $1,500,000,000.

"Ex-Secretary Meredith, one of Iowa's delegates, submitted a resolution in committee calling for the establishment of a Government price-fixing agency in fields covering food and clothing. It was proposed that the Government should fix minimum prices on sugar, wheat, corn, cotton and wool. The Government, it was pointed out, was the only agency that could obtain accurate information relating to crop supply and demand."

The Journal of Commerce to-day says: "When the idea first was conceived that the President should call a national conference of farmers, the proposal suggested that the character of that conference would decide once and for all whether the Nation in the future will be committed to the program of an agricultural West to the purposes of an industrial East or to a desired inter-relation of the two factional fundamental elements in the economic life of the country. A test of the developments in the conference thus far indicates with assurance that the latter policy will be accomplished. It is apparent to many also that the farmers have a broad vision of international affairs and desire the participation of this Government in all conclaves called for the consideration of international political and commercial problems."

Senate Farm Bloc to Push Marketing Bill

Leaders of the Senate agricultural bloc have agreed, it was announced, January 25, to press the Capper Cooperative marketing bill for action immediately upon disposal of the foreign debt-funding bill, now under consideration by the Senate. The Capper measure, which has been on the Senate calendar for nearly a year, is identical with cooperative marketing measures which have been passed by the House on two prior occasions, but which died at the expiration of the session of Congress. The Capper measure authorized the formation of the cooperative marketing associations and prescribes that no member shall hold more than one vote in such a society and that no dividend in excess of 8 per cent per annum may be paid. (Press, Jan. 26.)

Ship Subsidy Bill

"Farmers' Bloc Plans Defeat of Subsidy Bill" is the title of an article in The Journal of Commerce for January 25, which says, in reference to direct subsidies for American shipping: "The chances for the passage of the direct subsidies through the Senate, while previously admittedly dark, were made still more remote to-day when it was learned that Senator Kenyon, the leader of the powerful agricultural bloc, was opposed to a direct grant for American shipping."

Muscle Shoals Contract Signed by Ford

A Detroit dispatch to the press of to-day states that the contract covering the proposed lease and purchase of the Government's nitrate and water-power projects at Muscle Shoals, Alabama, was signed by Henry Ford and returned to the War Department by one of the Ford engineers January 25.

Packers Accused of Hog Monopoly

Armour & Co. and the Fowler Packing Company were charged with numerous violations of the Packers and Stockyards Act of 1921 in a formal complaint which the Kansas City Livestock Exchange announced it had filed January 25 with the Secretary of Agriculture. The exchange asked that a hearing be held at Kansas City, March 6. The complaint charges that the defendants' practices include "price fixing in its worst form" and are "tending toward an absolute monopoly in the purchase and slaughter of hogs." (Press, Jan. 26.)

Tariff Legislation

Assurance that the permanent tariff bill will be reported to the Senate early in February and passed before the close of the present session was given Republican leaders in the House by Senate Republican leaders yesterday at a conference between the two. (Assoc. Press, Jan. 26.)

American Grain Growers Face Rivalry

The United States must expect strong competition in the world market for grain in the coming year, according to a survey of the foreign trade in agricultural products issued January 25 by the Department of Commerce. (Press, Jan. 26.)

Meat Prices

The prewar dollar now is worth 72 cents when spent for meat and 68 cents when spent for other foodstuffs, according to a statement of J. T. Russell, president of the National Association of Meat Councils. (Press, Jan. 26.)

Section 2.

Acreage and Live -Stock Reduction

"The movement to cut corn acreage 50 per cent in Iowa, Nebraska and Kansas, combined with efforts of cattlemen in Nebraska, Wyoming and Colorado to discontinue further breeding of stock feeders, has reached a concrete stage. The Farm Bureau Federation of Iowa, Nebraska and Kansas and more than eighty county granges in the three States have officially taken up the matter and are urging all to comply. ... The Western Nebraska Cattlemen's Association has announced that all of its members would cease breeding cattle this spring in favor of sheep. The Northwest Iowa Farmers' Association has voted to plant only enough corn for personal use and to raise only enough hogs for their own table." (Council Bluffs dispatch to Commercial West, Jan.2

Agricultural Financing

"Billions for the Farmers" is the title of an editorial in Wall Street Journal for January 25, which says: " 'Even if it costs billions, credit relief must be given the farmers.' This modest demand was made last week by the head of a 'farmer's' association (not the Farm Bureau) who eats his bread in the sweat of his face among the thorns and thistles in Washington. Well may the farmer pray to be delivered from his friends. No lie is so dangerous as one mixed with truth. This is the danger of the insistent demand for agricultural relief. The farmers have suffered partly through their own fault and partly from force of circumstances. There is also a wide gap in the present systems of giving credit that handicaps the farmer in producing crops and live stock. These things make fertile soil for agitators in which to plant doctrines dangerous to the public including the farmers themselves. ... There is no objection to the individual farmer in politics. But the prime object of farm organizations is not to secure special advantages through political action. ..."

Banking

Declaring that his scheme would end the fight between country banks and Federal Reserve banks over par collection of checks, Chairman McFadden, of the House Banking Committee, January 23, introduced a bill providing that a bank not a member of the Federal Reserve system may elect whether it will make an exchange charge when remitting for checks drawn upon it. If the bank decides to do so, it will be required to pay a similar charge for the service rendered by the Federal Reserve banks in the collection of such checks. (Press, Jan.24

Freight Rates

The Interstate Commerce Commission, January 24, authorized increased freight rates on grain and grain products moving from Arkansas, Oklahoma, Texas and Louisiana, via Memphis, to Carolina territory. The average increase from Memphis was estimated to be about six cents per 100 pounds. (Press, Jan. 25.)

Packers and Stockyards Act

"Agitation in certain farm circles to establish producers' live stock commission companies has been given a set-back by the operation of the new Packers and Stockyards Act. Under this law it was necessary for two farmer companies which have been tried out on the Chicago market to file schedule of rates and charges which disclose their failure to accomplish promised results. One of the companies has been receiving shipments with the understanding that any profit resulted would be prorated back to the producer. Although the same rates by

the regular exchange commission companies have been charged, this cooperative venture has never declared a rebate during the four years of its existence. The other company has attempted to sell at a lower rate, but after seven months trial it has found there was a loss on each car of $2 to $3. Accordingly their new schedule shows an increased scale ranging from $2 to $4 per car to overcome this deficit. Commission men declare these disclosures are in keeping with their experience. They hold the high cost of everything they buy, combined with the quality of service demanded by the shippers, responsible for reducing their profits to the minimum. They declare they are glad the farmer has tried the business for himself and found it cannot be carried on at lower rates." (Chic. dispatch to Commercial West, Jan. 21.)

Prices

"Farm products are not as low as they were. The farmer is not now facing starvation; but he has looked in vain for the day of equalization. Financiers are beginning to appreciate this phase of the situation and to realize that it constitutes a menace to the prosperity of the country. It is much better for the farmer that financiers are interested than that politicians are expressing interest." Quoting George E. Roberts, vice president of the National City Bank of New York, in saying: "Either the prices of farm products must come up or other prices must fall so that the old relationship is restored," the editorial continues: "If the President's agricultural conference devises ways and means by which this solution can be effected, it will have done a great thing not only for agriculture but for the commerce and industry of the whole United States; if the conference fails to make a reasonable approach to that solution, it will fail utterly." (The Southern Planter, Jan. 15.)

Tariff

Business men's organizations, as represented in the membership of the Chamber of Commerce of the United States, have completed a referendum vote on fundamental tariff questions involving principles outside the field of partisan controversy. The results put the Chamber on record for policies that would cause important departures from earlier American procedure and methods. In view of domestic and international conditions, such departures are essential, in the opinion of the committee whose recommendations have now been supported by the Chamber's membership. A preliminary count of the ballot, made public January 25, discloses that the vote did not commit the Chamber on the question of American Valuation, included as one of eight propositions in the referendum, and that a decision was lacking also on the question of postponing tariff legislation until conditions become more settled. The vote for continuation of the present basis of ad valorem duties was 979 as against 833 for instituting American Valuation; and the vote on postponement of tariff legislation was 734 for postponement and 1,110 against it. The program to which the Chamber has now been committed by its membership, and incorporation of which it will vigorously advocate in pending tariff legislation, includes flexible tariff rates to be administered by a Tariff Adjustment Board; reasonable protection for American industries in destructive competition; maintenance of the anti-dumpting principle; encouragement of export trade, and measures to meet foreign discriminations. (C. of C. of U.S. press statement, Jan. 25.)

Section 3.

Department of Agriculture

"Another Case of the Pot and Kettle" is the title of an editorial in Commercial West for January 21, which says: "One of the provisions of the Capper-Tincher law, known as the Future Trading Act, specifies that 'members of the grain exchanges shall not send out any misleading market information.' About the time that this law became effective, it was disclosed that the crop report of the U. S. Department of Agriculture on the cotton crop of 1921 was misleading, to the extent of a little less than two million bales. In admitting this error in its totals, the crop reporting bureau tried to excuse itself by saying that appropriations were deficient and it was unable to cover the entire cotton belt to ascertain acreage. Is this the moral? If you are short of funds, misleading crop information may be excusable. Bucket shop operators in the old days appeared to work on a similar theory. Their dope was doctored to fit the case as to whether they were long or short in the market."

Section 4.

MARKET QUOTATIONS.

Farm Products

Jan. 25: Chicago wheat market nervous. Chicago May wheat closed fractionally lower at $1.15 1/8; Chicago May corn also lower at 53 5/8¢. Export demand for wheat quiet. Milling demand less active. Exporters took 200,000 bushels cash corn at Chicago. Closing prices in Chicago cash market: No. 2 red winter wheat $1.23; No. 2 hard winter wheat $1.13; No. 2 mixed corn 49¢; No. 3 white oats 35¢. Average farm prices: No. 2 mixed corn in Central Iowa 36¢; No. dark northern wheat in Central North Dakota $1.12 3/4; No. 2 hard winter wheat in Central Kansas $1.

Chicago hog prices lower, bulk of sales $8.25 to $8.60. Cattle steady to lower; medium and good beef steers $6.65 to $9; butcher cows and heifers $3.65 to $7.50. Fat lambs mostly steady at $12 to $14.

Potato trading light; markets steady. Bulk Green Mountains $1.66 to $1.71 per 100 lbs. f.o.b. Maine points. Sacked Round Whites $2.05 to $2.10 f.o.b. western New York. Early flat type cabbage $25 per ton f.o.b. Southern Texas. Baldwin apples A 2 1/2 inch $6.75 to $7 per bbl. f.o.b. western New York.

Hay markets dull with prices tending downward. Colder weather in West stimulating demand and markets there were fairly firm. Millfeeds weak. Offerings by resellers liberal. Wheatfeed offerings for prompt shipment by mills light, for deferred shipment good at discounts of $1 to $1.50 below prompt shipment prices.

Butter markets firm following recent dullness. More interest shown in undergrades. Cheese markets easy; slightly unsettled undertone evident; especially in distributing markets.

Spot cotton prices down 25 points at 16.58¢ per lb. New York March futures down 39 points at 17.05¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Jan. 25: Average closing price 20 industrials 82.57, as compared with 75.19 corresponding day 1921; average closing price 20 railroad stocks 75.30, as compared with 76.00. (Wall St. Jour., Jan. 26.)

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Vol. IV, no. 22. Section 1. January 27,1922.

Senator LaFollette Disapproves Conference

Senator LaFollette addressed the Senate, January 26, on the agricultural conference, expressing his disapproval generally and declaring that palliative measures would not suffice to cure for the agricultural situation in this country.

Following Senator LaFollette's address, Senator Heflin told the Senate that the Administration, "from the President down," lost no opportunity to "rap" the agricultural bloc in the Senate because it dought to better the condition of the agricultural industry, "the cornerstone of the nation." The Alabama Senator said he hoped some good would come out of the agricultural conference but he complained about the selection of delegates to it. (Press, Jan. 27.)

Agricultural Conference Comment

In a review of the conference, The Washington Post today says in an editorial: "From the manner in which the National Agricultural Conference attacks its work it is evident that Secretary of Agriculture Wallace made no mistake in selecting the personnel of its membership, in accordance with the instructions of the President. The delegates have addressed themselves to the questions which are generally recognized as the very essence of the situation and the solution of which will go far toward improving agricultural conditions in the United States. ... In view of this national inclination to give to agriculture the consideration that is its due, the movement that has been started looking to a formal indorsement of the Senate 'farm bloc' by the conference is very unfortunate. Such action would inject sectionalism and politics into a meeting where they have no place. As a matter of fact, the 'farm bloc' of the Senate, though it has talked more, has done no more for the agricultural industry than have the senators from the thickly populated States who have viewed matters of legislation from a national standpoint. Politics was not considered in selecting delegates to the conference, and politics should not be injected into its deliberations under any guide. No man or set of men should be permitted to capitalize this national movement for their personal advantage."

Government Price Fixing

The Journal of Commerce to-day says in an editorial on the urgence by various conference delegates of the revival of Government price control for leading farm products: "To fix world prices of wool and sugar is equally beyond our power. Not even in the case of cotton, of which we produce a very large proportion of the world's commercial supply, is it at all likely that any price-fixing effort on the part of our Government would be even remotely successful? ... It is almost inconceivable that influential and presumably intelligent individuals should seriously make such proposals."

Opposes Transfer of Forest Service

The American Forestry Association, at its annual meeting in Washington, January 26, adopted a resolution opposing the transfer of the Forest Service from the Department of Agriculture to the Department of the Interior. "It would simply mean two forest services," Col. Henry S. Graves, former chief of the service, said,"for the growing of forest crops is the business of agriculture. Such a move would mean duplication of effort and loss of efficiency." Other resolutions urged Congress to adopt a national forest policy law to improve fire prevention methods; increase research work and provide additional national forests and forest lands. The association in celebrating its anniversary called upon the country to mark another date also, the semicentennial of the first Arbor day in the United States, April 10, 1872. (Assoc. Press, Jan. 27.)

Fertilizer Trust Investigation Urged

Senator Harris introduced a resolution in the Senate, January 26, providing for a special committee of five to investigate the activity of persons, associations and corporations, and particularly the alleged fertilizer trust, to prevent lease by the Government of the Muscle Shoals project to Henry Ford.

(Press, Jan. 27.)

Col. House on Agricultural Bloc

Col. Edward M. House, says in an article entitled "Square Deal for Farmers," in to-day's Philadelphia Public Ledger: "In desperation the American farmers have formed themselves into a bloc and are seeking relief through legislation. They have been accustomed to see this form of relief sought by manufacturers; and in their days of stress they naturally turn in the same direction. It is doubtful whether the result of their efforts will be satisfactory, for it is much more difficult, even temporarily to stimulate the prices of agricultural products in this country than it is to stimulate the prices of manufactured articles. Perhaps if they would use their undoubted political power toward bringing down the prices of articles essential to their farming operations and living expenses quicker and more beneficial results would accrue. It is to be regretted that the bloc has demanded and recived the sanction of the Senate for a farmer member of the Federal Reserve Board. This is class legislation of a regrettable type and will not accomplish the purpose intended. ... The farmers have never had an effective organization in this country, and it is to be hoped that they are now on their way to have one. They have received less through legislation and have suffered more because of legislation inimical to their interests than any other class of our people. They are the backbone of our civilization and should be strengthened in every legitimate way. ... To bring this about they do not need to have such legislation as some of their spokesmen seek. Immediate relief would come to them if the markets of the world were in condition to buy their products and if they themselves were able to buy the necessities of life at prices which would allow them to sell their products at a profit. They of all people are independent of special legislation in their behalf. What they need is wise and efficient governmental service in both foreign and domestic affairs and a square deal. They have not had this in the past and they should now demand it. They should be in the future what they have been in the past - the balance wheel of the Republic."

International Economic Conference

An Associated Press dispatch from Paris to the press of to-day says: "It was reliably stated January 26 that George Harvey, United States Ambassador to Great Britain, will tell

President Poincare, during his brief sojourn in Paris on his way from Cannes to London, that the United States may yet consider being represented at the forthcoming economic conference at Genoa, provided France will consent to full participation in that gathering."

Section 2.

Agricultural Bloc

1. "Since the farm bloc has set itself up to represent directly one of the great national interests, it may properly be expected to accept the responsibility of working out and popularizing policies that are actually of benefit to that interest, instead of following the whims and snap judgments of the farm voters. It may be that a majority of the farmers believe that there is substantial relief to be had through the tariff. But the representatives in Congress from the agricultural States must surely know that this is a delusion. ... The production of wheat and corn and cotton simply cannot be organized on such a basis. The emergency tariff duties on farm products have not relieved agricultural depression in the slightest degree. Yet the farm bloc is now demanding an increase in those duties, and the addition of the most preposterous duty of all, five cents a pound on short staple cotton. ... The farmers are to be given a duty on raw cotton, which cannot possibly benefit them and they are to pay for it with higher duties on clothing, hardware, leather goods and lumber, which will certainly injure them. If the farmers were suffering under imaginary maladies, their leaders in Congress might be pardoned for following the practice of patent medicine vendors, in taking the farmers' money in exchange for remedies that are at best useless, at worst exceedingly injurious. But the farmers' ills are not imaginary. And we should like to know how the farm bloc leaders square their prescriptions with their conscience." (The New Republic, Jan. 25.)

2. Theo. H. Price says in Commerce and Finance for January 25: "Another development that must be reckoned with is the possibility that a new political party may shortly come into existence. After the Civil War we had the Greenback party. ... The strength of what is called the 'Agricultural Bloc' in Congress suggests that this bit of history may be in some respects repeated and that a well-organized agrarian party may be born of the travail of the pastwar period. If this shall come to pass the probability is that the credit resources of the Nation will be somewaht lavishly used in the interest of agriculture, for the successful insistence of the Senate 'Bloc' upon the enlargement of the Federal Reserve Board so that a farmer can be added to it is not, to say the least, suggestive of further deflation. The protests of the bankers against the recognition thus accorded agriculture upon the ground that it is 'class legislation' hardly seem consistent with the fact that the present law expressly provides that at least two members of the Federal Reserve Board shall be men of banking experience. The Agricultural Conference convened by the President this week at Washington is another evidence, as it is a recognition, of the farmer's political self-consciousness and power."

Agricultural Situation

"The Farmer and Industry" is the title of an editorial in The Journal of Commerce for January 25, which says: "For some time past we have had it constantly dinned in our ears that the plight of the farmer is having a most depressing effect upon general business. ... The situation in which the farmer finds himself is essentially an effect rather than a cause. It arises from conditions of unsoundness which had previously been allowed to gain a foothold throughout well nigh all of our agriculture, industry and trade and certainly can no more be held responsible for present ills than can the continued high costs and prices in many branches of industry and commerce. It may well prove that some agricultural commodities have been overliquidated, but, even so, sound relief is to be sought both for the farmers and business generally not in attempting to boost agricultural prices but in bringing other values more in line with the needs of the new situation."

Crop Insurance

The National Stockman and Farmer for January 28 says in an editorial: "A resolution offered last week provides that the Senate Committee on Agriculture shall investigate the practicability of a bureau of crop insurance to be operated by the Federal Government. Such an inquiry might bring out some information, but if it resulted in a Government crop insurance enterprise it would prove to be costly. After the disastrous experiences of Government in business the people are in no mood for further experiments. The best crop insurance, and the safest, is that which can be provided by mutual or other companies which make that their business. Government crop insurance means that men will attempt to farm more and more land that is not adapted to cropping, the failures resulting therefrom to be charged to the public."

Forestry

An editorial in to-day's Washington Herald, entitled "Forty Years of Forestry, says: "American business men surely must realize the situation that takes the center of the lumber industry nearer and nearer the Pacific Coast every year. Manufacturing centers are paying millions of dollars every year in freight rates on lumber that once grew much nearer the point of consumption. This situation is particularly true of the East and Middle West. A forest fire loss of from $20,000,000 to $25,000,000 every year causes but passing attention. Yet it is a direct drain upon our forest resources."

Packer Employees

More than 90 per cent of the striking packing house workers voted January 26 to continue the strike, in effect since December 5, according to figures announced by officials of the Amalgamated Meat Cutters and Butcher Workmen of North America. The figures are based on votes cast in East St. Louis, St. Joseph, Mo., Oklahoma City, Kansas City, Omaha, Sioux City, Denver, Albert Lea, Minn., and a part of the Chicago vote. To-day's vote came after it had been in effect seven weeks and the union order to settle the dispute by arbitration met with no success. The strike was called after the larger packing plants had negotiated wage cuts directly with their employees and had refused to recognize the union. While some of the smaller plants were badly crippled, most of them continued to operate. The Government attempted to arbitrate the strike, but the larger packers refused. (Assoc. Press, Jan. 27.)

Packers' Case

"Waste of Time" is the title of an editorial in The National Stockman and Farmer for January 28, which says: "Down at Washington grave legal and commercial authorities are making and hearing arguments, poring over reams of evidence and even wasting the time of Congress to decide a question which any business man of common sense could decide in less than ten minutes. This question is whether those who can handle certain products cheapest shall be permitted to handle them at all. The producers ask that the packers shall be permitted to distribute certain products. The wholesale grocers, who want the business themselves, demand that the absurd decree which forbids the packers to handle these products shall be upheld. No matter what the decision may be this time the cheapest way will ultimately be put into effect as surely as water runs down hill."

Section 3.

MARKET QUOTATIONS.

Farm Products

Jan. 26: Wheat prices eased off in absence of buying support and small volume of business; Chicago May wheat lower at $1.15; Chicago May corn lower at 53 3/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.23; No. 2 hard winter wheat $1.15; No. 2 mixed corn 49¢; No. 3 white oats 34¢. Average farm prices: No. 2 mixed corn in Central Iowa 36¢; No. 1 dark northern wheat in Central North Dakota $1.12; No. 2 hard winter wheat in Central Kansas $1.

Chicago hog prices higher, bulk of sales $8.50 to $8.75. Better grades of beef steers generally steady, lower grades weak; medium and good beef steers $6.65 to $9; Butcher cows and heifers steady at $3.65 to $7.50. Sheep and lambs mostly steady, fat lambs $12 to $13.85.

Potato markets steady to firm. New York sacked Round Whites steady f.o.b. Western New York points at $2.05 to $2.10. Maine Green Mountains, in bulk, firm f.o.b. shipping points at $1.66 to $1.75. New York Baldwin apples A 2 1/2 strong f.o.b. at $7 to $7.25 per bbl. New York Danish type cabbage $35 per ton f.o.b.

Eastern hay markets continue dull with prices tending downward. Receipts and country loadings generally light. Millfeed also continue weak. Middlings weak, flour middlings and reddog in light request. Gluten feed and hominy feed quoted $2 lower.

Butter prices higher. Active demand for all grades. Cheese markets steady; inquiry principally for held goods.

Spot cotton down 58 points at 16¢ per lb. New York March futures down 69 points at 16.36¢. (Prepared by Bur. of Mkts. & Crop Ests.)

Industrials and Railroads

Jan. 26: Average closing price 20 industrials 81.54, as compared with 75.71 corresponding day 1921; average closing price 20 railroad stocks 74.83 as compared with 76.19. (Wall St. Jour., Jan. 27.)

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Vol. IV, no. 23. Section 1. January 28, 1922.

President Harding Asks Departmental Aid for Unemployed

Aid of the War, Treasury, Navy, Interior, Agriculture and Commerce departments in providing work for the unemployed was requested January 27 by President Harding, in a letter addressed to the heads of these departments. The President suggested that in those six departments there might be repair and construction work which could be undertaken now when "the most difficult period of the winter is still before us," rather than later in the year. (Assoc.Press, Jan.28.)

The Vice President on Agriculture

Vice President Coolidge said in an address before the Indiana Republican Editorial Association, at Indianapolis, January 27, that Congress and the President both sought with great diligence for the relief of the farmers. He mentioned especially loans to cattle men and the operations of the Farm Loan Board. He said: "It is the policy of the party in power to preserve the American market for American agriculture and to assist the farmer by increasing the prosperity of his customers." (Press, Jan. 28.)

Loan Legislation

Senator Sheppard January 27 introduced a bill in the Senate that would permit organization of agricul ural pools for the purpose of making agricultural loans. (Press, Jan.28.)

Irrigation Loans

Government loans on irrigation projects are provided for in an amendment to the Federal Farm Loan Act introduced January 27 by Senator Pittman. (Press, Jan. 28.)

Senator Ashurst Defends 'Bloc'

Senator Ashurst told the Pennsylvania Lumbermen's Association, January 27, that the Congressional agricultural bloc was not organized to injure business, "as its defamers have claimed, but to help all lines of business and industry. He said: "Unless the tiller of the soil is aided at this time all will perish with him. The agricultural bloc is helping to save the country." (Assoc. Press, Jan. 28.)

Agricultural Bloc Attacked

Senator Edge attacked the agricultural bloc for what he termed the failure of its members to represent the whole country and to seek general rather than class legislation, in an address before the Industrial Club of Chicago, Jan. 26. He gave it as his fear that the activity of the bloc would break down party government and leave the country in the hands of groups or blocs. (Press, Jan. 27.)

Section 2.

Agricultural Financing

The War Finance Corporation announces that from January 23, to January 25, 1922, inclusive, it approved 153 advances, aggregating $5,350,000, for agricultural and live-stock purposes in the West and Southwest. (W.F.C. press statement, Jan. 26.)

Agricultural Needs

"Lo! The Poor Husbandman!" is the title of an article by Eric C. Hopwood, in The World's Work for February, which says in part: "The analysts and prophets announce that prosperity will be on the way back when the farmer begins buying again. When the farmer is not in the market, mills shut down, factories cut to part time, railway equipment stands idle in the yards and all trade stagnates. Without the farmer with a bank roll the people perish. Here, then, is still another evidence of the importance of the man who wrings nature's bounty from her and passes it on to his brother within the city's gate. ... He observes that the dweller within the city gates neither wants to starve nor to produce from the soil his sustenance. Rather he wishes Rusticus to do it for him. But he permits a machinery of distribution to be established to which he is willing to pay some 60 cents of every dollar while he grudges the farmer 40. The farmer will get back into the market as soon as he can. He likes being out of it no better than business likes having him out. But he cannot liquidate and buy at the same time. He will buy when the market overtakes him on the way down or when he meets it coming up. And since it is demonstrated that the farmer is the military Gibraltar in war and the economic Rock of Ages in peace, it will do the Government no harm to put some real study and attention to the acute problems facing the agricultural population."

Agricultural Situation

The New Republic for January 25 says: "The daily market reports are sufficient evidence that the farmer is suffering severely from the fall in prices. But what is needed now is above all a precise analysis of the character and extent of agricultural distress and the elaboration of effective measures for its relief. How much of the difficulty is due to the contraction of excessive loans for the purchase of farm lands at inflated prices? ... How much of the distress is due to crop failures? What chance is there of stabilizing farm prices in America without a deliberate effort to form an international association for insuring the holding of stocks of agricultural products against the lean years? We sincerely hope that the conference will address itself to such questions as these with energy and intelligence."

Agriculture

1. "Agriculture at present is conducted in an unorganized haphazard fashion. Farmers berate the middlemen as if they were some sort of trade parasites who neither toil nor spin. Some of them, it is true, are unnecessary evils, but in general the much-abused middleman performs a function in the distribution process that is necessary because of the lack of organized distributing machinery for the farmer. The only real middleman who exacts an unearned profit (although it is only too often an unexpected loss) is the speculator in farm products who is not directly interested in their distribution, as, for instance, the lawyer, the show dealer or the barber, who takes a flier in the market, known collectively as the

public, and the professional trader who is just a plain speculator and nothing more. ... Between the producer and consumer, however, there is too great a discrepancy. It is because of the lack of organization that products do not move in the most direct line possible. Cooperative marketing is an entirely feasible proposition It does not mean scrapping present methods entirely by coordinating them. Methods should be devised by which crops can be marketed in an orderly manner throughout the twelve months, which, of course, brings up the question of more extended financial support. This is merely a question of readjusting financial machinery or creating new machinery. It is of doubtful wisdom to tie up with the Federal Reserve, as the theory of that system is to keep National bank reserves in liquid form. It is possible, however, to link up with the Federal land banks or some special agency created for the purpose. ... The farmer's real enemies, such as they are, are to be found in a faulty economic system, and when those faults can be found and corrected the farmer will receive a larger proportion of the selling price of his commodity. (New York Commercial, Jan. 26.)

Agriculture 2. In a letter to the Washington Star of January 27, Thomas Nelson Page says in part: "I have been much struck by the small attention given in the press to the work of the important and far-reacing agricultural conference at present taking place in this city at the call of the Government. ... It would be news if the public were informed how desperately in earnest the representatives of the farming element are to go to the bottom of the causes of this inequality which is cutting the very roots of the necessaries of life not only for other countries, where, according to the news to-day given forth, great myriads of people are almost starving to death, but for our own country as well. The imposition has become so great that at last the entire agricultural population is being aroused and the farmers are calling on the Government for aid. ... To-day they are combining and beginning to look to forming an agricultural 'bloc' in Congress. ...

"This creation of 'blocs' in our Congress, if it is carried through, would be in itself one of the most radical changes that our Government has ever undergone; for the block-system legislative action as carried on in some of the European governments is as essentially different from what has always been the system of representative government in this country as can be imagined, and yet it is apparently the natural and possibly only effective means of securing a remedy for the present disastrous conditions of our agricultural population. ..."

Cooperation The New Republic for January 25 says: "Agricultural distress will not have been an unmixed evil if it brings home to the farming population the necessity of giving better support to the cooperative movement. It was agricultural distress, primarily, which first turned the attention of the farmers of Denmark toward cooperation. The competition of cheap grain and meat products from America meant ruin to the Danish farmers, so long as they trusted to the traditional methods of marketing their products and procuring their supplies. ... Something has to be done to reduce the spread between the city price of farm products and the price received by the

producer, and the equally disastrous spread between the factory and the farm prices of industrial products. Competition will not reduce the spread; nor will public regulation. Cooperation, and nothing else, will do it."

Corn Acreage

"The war and after-war stimulations to enlarged grain production have disappeared. A return to a normal balance of crop acreage is clearly in order. The farmer knows that this means more forage crops and less corn. Farmers are themselves the biggest consumers of corn. If restricted acreage and higher prices are made a program will not feeders automatically meet it with increased acreage? What is then gained? Great stress is laid on the conjecture that we shall have next spring five or six hundred million bushels more corn than normal. Suppose we do - since when was corn in the crib a liability? We have had two bumper crops. How many cases of three such successive crops can you recall? ... Whatever quantity we shall have is by no sound construction a liability. It in no way justifies a campaign to settle the farmer's corn acreage for him, at the risk of unsettling his business. It is a shabby, feeble reason indeed for attempting to lead the farmer into a gamble that every sensational newspaper can picture as a raid on the consumer's pocketbook." (Country Gentleman, Jan. 28.)

Grain Marketing

"We have pointed out at various times that the real test of the U. S. Grain Growers, as of all marketing organizations, will come when the organization begins actual marketing of grain, and thereby begins to cut into the profits of those who have come to consider the marketing function their personal and private property. ... The opposition tends to become more alert and bitter, however, as time goes on, for the Boards of Trade become better acquainted with cooperative systems, more skilful in judging their strength, and more afraid of their success. In the case of the U. S. Grain Growers, the opposition began to develop long before the Committee of Seventeen made its plan public, and is now in full swing, althoug actual cooperative handling of grain is not expected to begin before next month." (Farm Journal, February.)

Packer and Stockyards Law

Commenting upon J. Ogden Armour's recent statement upon the packers and their attitude to the Packer and Stockyards Law, The Farm Journal for February, which reprints the statement, says editorially: "Unwise control administration by the Secretary of Agriculture will help nobody; wisdom at Washington, on the other hand, can not hurt Mr. Armour's business, and will surely help everybody else concerned. It is up to Mr. Wallace and his staff. Most important of all is Mr. Armour's assurance to the new National Live-Stock Producers' Association that their only customers, the packers, will welcome the establishment of a system of orderly marketing."

Price Associations

"When Doctors Disagree" is the title of an editorial in The Journal of Commerce for January 26, which says: "Who shall decide when doctors disagree is an old question, but one whose appositeness is constantly brought to mind. At this time particularly it has a peculiar significance to the average business man, in view of the conflict of opinion among his political leaders in Washington on the

everyday question whether he may or may not gather statistics and facts about his own business. ... There is no warrant for any such foolish and embarrassing mixture of public policies as that which is now being foisted upon this community by the Government at Washington. ... Why does not the Head of the Nation take this matter under advisement, determine upon a uniform plan of action, and then apply it, continuing until there is good and sufficient reason for a change?"

Section 3.

Department of Agriculture

The Washington Herald to-day says in an editorial: "It is good to know that in whatever other branches of needed national construction and reconstruction we are niggardly of outlay and dilatory in what sums we do appropriate, our Federal aid highway system is a aplendidly going and growing concern...."

Section 4.
MARKET QUOTATIONS.

Farm Products

Jan. 27: Wheat market more active. Export demand good. Southwest cash markets firmer. Chicago May wheat higher at $1.16 1/4; Chicago May corn higher at 53 1/2¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.24; No. 2 hard winter wheat $1.16; No. 2 mixed corn 49¢; No. 3 white oats 35¢. Average farm prices: No. 2 mixed corn in Central Iowa 36 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.13 1/4; No. 2 hard winter wheat in Central Kansas $1.

Chicago hog prices steady to higher, bulk of sales $8.50 to $8.85. Beef steers, butcher cows and heifers, calves, and stockers and feeders steady. Medium and good beef steers $6.65 to $9; butcher cows and heifers $3.65 to $7.50. Fat lambs $10.50 to $12.75.

Chicago potato market slightly weaker; other markets steady to firm. New York sacked Round Whites steady f.o.b. Western New York at $2.05 to $2.10 per 100 lbs. Maine Green Mountains in bulk steady f.o.b. at $1.66 to $1.76. New York Baldwin apples A 2 1/2 firm f.o.b. at $7 to $7.25 per bbl. New Jersey yellow sweet potatoes steady in New York at $2 to $2.25 per bu. hamper.

Eastern hay markets dull but prices unchanged. Receipts large at Cincinnati and Pittsburgh with fair demand for best grades. Other central western markets firm on light receipts and small country loadings. Millfeeds weak, demand light. Only interest is for immediate delivery. Future offerings plentiful at substantial discounts.

Butter prices not more than steady. There is but a small surplus on the market, but buying is on a conservative scale. Cheese markets barely steady, especially in Wisconsin.

Spot cotton down about 1 point at around 15.99¢ per lb. New York March futures up 9 points at 16.45. (Prepared by Bur. of Mkts. & Crop Est.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 24. Section 1. January 30, 1922.

Farm Loan Bond Taxation

H. C. McKenzie, of Walton, N.Y., representing the American Farm Bureau Federation, before the Ways and Means Committee, January 28, expressed confidence that a constitutional amendment designed to prevent further issuance of tax-exempt securities would be ratified by sufficient States if Federal Farm Loan bonds were not affected by the proposal. Mr. McKenzie insisted that the farmers of the country believe it would be detrimental to agricultural interests to tax Farm Loan bonds. The proposed constitutional amendment also was indorsed by Samuel Lord, chairman of the Minnesota Tax Association; Thomas E. Lyons, head of the Wisconsin Tax Commission, and H. B. Alfree, of Newton, Iowa. (Press, Jan. 29.)

Muscle Shoals

Senator Harris, January 28, made public a letter from Henry Ford, in which the statement was made that his offer to take over the Muscle Shoals nitrate plant would contain assurances that fertilizer would be manufactured if a lease is given by the Government. (Press, Jan. 29.)

Financial Profiteering

The Washington Post, January 29, says in an editorial: "President Harding's indignation over reports that certain banks in the West are making excessive interest charges on loans to agricultural interests is but natural. Like all public-spirited citizens, he resents the profiteering by any one upon the necessities of the public. But the President, from reports he has received, is convinced that none of the Government agencies has been a party to such profiteering. On the contrary, loans made by the War Finance Corporation have been at 5 1/2 and 6 per cent, and in no case has the commission exceeded 2 per cent. Complaints have reached Washington, however, that some of the Western banks have been 'gouging;' that they have secured loans from Federal reserve banks at the established interest rates not above 6 per cent, and have loaned this money to farmers at 8 and 10 per cent plus a generous commission for themselves which in the aggregate made the charges exorbitant. Secretary of the Interior Fall, returning here from an extended trip through the West, reports that cattle raisers especially are the victims of this practice. It ought to be stopped, if possible, and every means available should be devoted to this end. The Federal Reserve system was established for the benefit of the public, and must not be used by banks to take advantage of the needs of the people. The commission dodge is an old subterfuge which enables the leader to collect a high rate of interest under another name, and it is no novelty, in the East or in the West."

Agricultural Conference Comment

"Demand for an immediate Federal loan of $100,000,000 to tide impoverished farmers over the present emergency was made on Congress January 28 by the 'rump conference' of President Harding's agricultural conference. It is hoped to obtain this sum through an amendment to Senator McCumber's bill providing for $5,000,000 for the purchase of seed for the farmers unable to purchase their requirements for this year's crops. The 'rump conference,' composed of those dissatisfied at the main conference, centered its attention largely on a program for immediate relief. This program, aside from the loan, calls for: Stabilization of prices on wheat, corn, cotton and wool; creation of a Federal agency to limit profits on these four staples by millers, elevators and bakers; agencies to finance the marketing of surplus food products abroad; restoration of the excess profits and inheritance tax to remove the burden of taxation from farmers and all other producers of wealth; immediate enactment of the Capper-Volstead cooperative marketing bill; unified Government operation of the railroads with an immediate reduction of approximately 33 per cent in freight rates; eventual Government ownership of railroads; acceptance of Henry Ford's Muscle Shoals offer. The 'rump conference' was called by Benjamin C. Marsh of the Farmers' National Council and was attended by approximately forty delegates." (Press, Jan. 29.)

Section 2.

Agricultural Bloc

"It is regrettable that any combination is necessary for the purpose of securing justice for so large a percentage of our people as is represented by the farming population, but when a situation exists, as has been the case for a great many years now, even a necessary evil like the bloc system seems commendable. There has always been more or less class legislation and sectional legislation at Washington, and the rule has been that such legislation has not been for the direct benefit of the farmer. The farmers' bloc cannot be done away with now without calling direct attention to this fact and it will be necessary for the Republican party to make haste slowly and cautiously in getting rid of any system that promises as much justice and service to agriculture as the farmers' bloc does." (The Dairy Farmer, Jan. 15.)

"Whatever else you may say, it seems clear that this 'agricultural bloc' has learned how to get results. ... There would have been no progressive farm legislation in this Congress but for this new feature in political life. There is a great outcry from the party managers and politicians, yet for years they have been using their secret power to secure special privilege. At least the open methods of the 'bloc' are far superior to the old wire-pulling ways. Aside from any advantage to agriculture, this 'bloc' is working out two most desirable things. It is drawing things out into the open, where we can see what is done, and it is breaking up the old sectional hostility between the North and the South. It is the most hopeful plan for bringing the North and the South together that we have ever started in this country." (Rural New Yorker, Jan. 28.)

Farm Credit

The Wall Street Journal for January 28 says: "If there is but a single dirt farmer who cannot borrow necessary working capital for reasonable use, let him consult his almanac. It should furnish the location of the nearest Reserve bank. That institution will furnish him the address of the nearest reputable bank, National or

State. If the farmer cannot then borrow enough cash for his reasonable needs, the Wall Street Journal will gladly investigate an exceptional miscarriage of sound banking. It only asks that the farmer shall be a sound farmer. There are 38 thousand million dollars of deposits in the United States. The farmer cannot borrow a dollar from a reputable banker on the basis of $2 or $1.25 wheat; of 25-cent cotton, or on Georgia razor backs held for the price of good Hambletonian geldings. Nor is there any device -- by consultation, cooperation, coordination, petition, remonstrance, political caucus or bloc-ing -- which can bring this to pass in 1922. ... With mortgage and export facilities beyond reproach, there are farmers who pay usurious interest rates. There will always be dirt farmers who cannot borrow working capital and others who will pay usury rates for it. But there are $38,000,000,000 of deposits from which any farmer, anywhere, can obtain at fair interest rates all the working capital he can reasonably expect. Nor can he reasonably or without seeking self-destruction ask more."

Federal Reserve Board

"Scoring and Underscoring the Reserve Board" is the title of an editorial in New York Commercial for January 25, which says in part: "Our prosperity following the war was more shadow than substance. It came from an orgy of spending war profits and war wages, and an accelerated export movement as long as Europe had any way of paying for our goods. But all of these soon gave out, and industry and commerce dropped to a minimum. The Federal Reserve banks were not responsible for this. They could not go on lending money to farmers with no other collateral than a mere hope - a hope that prices would come back again, a hope that in some miraculous way Europe would recover her buying power. And so the life-giving credit had to stop. Even as it was the banks throughout the country found themselves loaded up with merchandise and unsold grain and cotton. Then, when their resources were completely tied up in this manner, a crash would have come that would have made the last condition far worse than the first. The action of the Federal Reserve banks in curtailing credit was a life-saver. The Federal Reserve officers say that their mistake was in not curtailing credit sooner, and now we have the Joint Congressional Commission of Agricultural Inquiry, in its report to Congress, scoring the board for failure to adopt a policy of restriction of loans and advances in the early part of 1919. ... In other words, the board is now being blamed for not having superhuman foresight. One can imagine the storm of abuse if credit had been curtailed at the very high tide of activity. Considering that it is now being criticized both ways, it seems to have done remarkably well under the circumstances."

Foreign Trade

1. "In one of the most important speeches at the Washington Conference this week, Dr. Warren stated that Europe will need many millions of tons of our foodstuffs this year. Germany alone will require 2,000,000 tons before next harvest, Italy about 1,000,000 tons and France probably about half a million tons. But needs and purchases are not the same thing by a long shot. Every one of us needs plenty of things which we won't get any more than Europe will get all the food it needs, and for the same reason - we haven't the price. A potential demand, with nothing to give in exchange for

the products desired, and a demand backed by coin or the realm or goods to trade are as far apart as the poles. Not till Europe's political and economic conditions become more stable will the potential demand for our farm products, which unquestionably does exist there, become an actual demand that will be reflected in the price of wheat, pork, beef and butter. Another reason why this demand has not as yet put in an appearance is because all European countries are delaying purchases as long as possible in the hope of improvement in rates of exchange." (Natl. Stockman and Farmer, Jan. 28.)

Foreign Trade 2. "On a Swapping Basis" is the title of an editorial in The National Stockman and Farmer for January 28, which says: "The fact is that most people are looking at the tariff in pieces rather than as a whole. They are considering the possible effect of this or that schedule on their individual business rather than the effect of the whole plan on the country's business or its effect on the industry of which their business is a part. ... Take agriculture for example. The wool grower, the dairyman, the fruit growers and others are viewing the tariff as it affects wool or dairy products or fruit, etc., and not as it may affect agriculture and that industry's position in international trade. What agriculture needs now above all things is a foreign outlet for its surplus, and agriculture has or can have a surplus in nearly all of its staple products. If this surplus is to be sold abroad, and it should be, the foreign buyer must pay for it in commodities of some kind. How is he going to do this if his commodities, which are mainly the products of his factories, are denied a market in this country? International trade is now on a swapping basis and must remain so for a long time to come. How can a swap be made, our agricultural products for their manufactured products, if we make the cost of it prohibitive?"

Forestry

Commenting upon Gifford Pinchot's address on a national forest policy before the National Agricultural Conference, The Washington Herald said, January 29, in an editorial: "Let us take a leaf from the book of Germany, whose Black Forest, despite all the demands of war, decreased little if any in size or flourishing condition, simply because woodsmen are required to plant a sapling for every giant they fell."

Grain Marketing

Completion of elevator affiliations and Grain Growers' associations in new territory of five states, where farmers had asked for the opportunity to join the national marketing movement soon after the first of the year, was marked by the addition of 2,382 producer members in the U. S. Grain Growers, Inc., last week, increasing the national total to 39,993, according to a recapitulation of organization progress issued by the U.S.G.G., Inc., January 23. Members of the U. S. Grain Growers, Inc., will meet at 972 shipping points throughout the Middle West on February 7 to elect delegates to 47 congressional district conventions, according to official notices recently sent out. National delegates meeting in Chicago for the first annual convention, beginning March 21, will elect a new board of directors and transact such other business as shall be brought before them. (U.S.G.G. press statement, Jan. 23.)

Section 3.

Department of Agriculture

The Nebraska Farmer for January 28, in reviewing conditions which made possible an erroneous cotton report by the Department of Agriculture, says "When one stops to consider that Congress has been appropriating from $200,000 to $250,000 for the free seed distribution by members to their constituents, while the funds for crop reporting have been cut nearly one-half, and are now less than the free seed appropriation, he may wonder which is the more important of the two. In fact there is a lot of other important work of the Department of Agriculture that has been curtailed because of a lack of funds, and yet members of Congress have been allowed to distribute a lot of free seeds of unknown and untried and ill-adapted varieties which are calculated to produce a staunch crop of political supporters."

Section 4.

MARKET QUOTATIONS.

Farm Products

The grain market was firm during the week ended Jan. 28, the principal market factors being drouth in Southwest, good milling demand for cash wheat; decrease in the visible supply and strength in foreign markets. For the week Chicago May wheat advanced 3¢ net, closing at $1.18 3/4; Chicago may corn up 3/4¢ at 54 3/8¢.

White potatoes weakened in Chicago during the week ended Jan. 27, but held steady to firm in most other markets. The cabbage markets were weaker. Eastern sweet potato markets were about steady with southern varieties firm. Celery prices irregular; lower in East, higher in West. New York Baldwin apples higher. Eastern hay markets dull but prices unchanged. Dairymen active buyers of alfalfa at Kansas City. Prairie dull in all markets. Most central western markets firm. Millfeeds weak with light demand. Future offerings plentiful at substantial discounts. Slightly better export demand for cottonseed meal.

Chicago hog prices advanced 50 to 65¢ per 100 lbs., bulk of sales closing $8.50 to $8.85. Beef steers steady; heifers down 15¢ to 25¢; cows up 15¢ to 25¢. Feeder steers weak to shade lower; veal calves up 25¢ to 75¢. Fat lambs up 35¢ to 60¢; yearlings up 25¢ to 90¢. Closing prices: Medium and good beef steers $5 [illegible] to $9; butcher cows and heifers $3.65 to $7.50; feeder steers $5.45 to $6.75; light and medium weight veal calves $7.75 to $11; fat lambs $12 to $13.85.

Butter markets recovered considerably from radical declines early in month. Tendency upward, although at the close the markets were not more than steady. Cheese markets barely steady, especially in Wisconsin. Prices on fresh fairly well maintained on wholesale distributing markets although bulk of demand is for held goods.

Spot cotton down about 112 points at 15.99¢ per lb. New York March futures down 132 points at 16.45¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Jan. 28: Average closing price 20 industrials 81.75, as compared with 76.34 corresponding day 1921; average closing price 20 railroad stocks 74.34, as compared with 76.60. (Wall St. Jour., Jan. 30)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 25. Section 1. January 31, 1922.

Wheat Price

Representative Young, before the Committee on Agriculture, January 30, advocated revival of the United States Grain Corporation to handle the 1922 wheat crop in an effort to stabilize prices. (Press, Jan. 31.)

Tariff Valuation Plan

"The 'American valuation clause' of the Fordney tariff bill 'is in reality nothing more than a "domestic price clause," which surrenders the making of tariff rates to American wholesalers, backed by selfish manufacturers,' H. E. Miles, of Racine, Wis., chairman of the Fair Tariff League and former vice president and director of the National Association of Manufacturers, declared in an address January 30 before the tariff convention of the latter organization. The meeting was called to urge immediate action on the tariff bill, embodying the 'American valuation plan.' " (Assoc. Press, Jan. 31.)

Agricultural Conference Comment

The Journal of Commerce for January 30 says in an editorial on "Agricultural Policies": "President Harding's agricultural conference has completed its labors, and while it is always difficult to appraise the work of such a body before the results can be clearly seen, there is at least a general basis for estimating some of the conclusions to be formed with respect to it. The recommendations of the organization, as might be expected, are in part wise and in part unwise. There is good warrant for believing that much can be done through careful study of transportation policies in general, and through plans for making electric current available to small consumers; through a better and more systematic land policy, and through improved marketing. ... The direct economic suggestions of the conference with respect to economic policy present a different case. There we have a situation in which political prejudice and class interest seize the reins and reason is largely dethroned. The demand for long term credits rediscountable at the Reserve banks of the country and for a National policy designed to raise the price of farm products would be hopelessly disastrous. ... Whether the conference will result in placating the farm discontent now so general throughout the country is another question. It may have the effect of in some measure educating those who were present at the sessions, to that extent resulting in a better state of feeling, since their views will be ultimately transferred to their constituents or to those whom they represent. ..."

The Wall Street Journal says in an editorial, January 30: "Conferences are a favorite modern device for reaching the millenium by a short cut. The people who address them feel better after they have relieved their minds. Congress seldom

pays any serious attention to their findings unless it must, as, for instance, when a treaty is a product of the conference. ... But there is about a grain of wheat to about a bushel of chaff. The grain of wheat in the agricultural conference is the demand of the farmers that capital and labor shall share in deflation with direct reference to railroad labor. ... Perhaps it is not the farmer's fault if he has been taught to reason from false premises. The farmers who have no time to talk are not borrowing money at the bank. The crossroads-grocery farmer is highly articulate, and is of course willing to borrow money as long as people will lend it to him. He thinks that capital is not deflated because he can only borrow at an exorbitant rate or not at all. But with such a farmer that would be the case in any condition of the money market. In no borrower is character a more essential part of the collateral in a loan. ... But when the farmer says that railroad labor must be deflated he is at least on firm ground. He need not worry about the deflation of capital. The money market will attend to that."

Section 2.

Agricultural Bloc

"The Agricultural Crisis and the 'Bloc' " is the title of an extensive article by Judson C. Welliver in The American Review of Reviews for February. Regarding the bloc, Mr. Welliver says: "Reducing to the simplest terms the varied impressions derived from the headlines, the news stories, the editorials ... one gathers that the agricultural bloc is really no bloc at all; but that the name has been rather misapplied to the group of Senators and Congressmen, Republicans and Democrats alike, from States predominantly agricultural; acting pretty generally in support of measures favored by, and in opposition to measures opposed by, their constituencies; rather eschewing discipline, and disposed to ignore party leadership and organization; determined to get what they want, when they want it, and not to take what they don't want, no matter who urges it; as nearly 'radical' as anything in our somber-hued Congressional politics ever gets; an 'extreme left' not because it's extreme but because it's the extremest there is, whose members, tired of being log-rollered have gone steam-rollering. ..."

Reviewing in full detail the operations, accomplishments and objects of the agricultural bloc in Congress, Mr. Welliver continues: "The bloc wants three more main concessions in legislation. First, is an agricultural marketing law, such as the President advocated in his last message to Congress. ... They propose to provide that cooperative associations of farmers may submit their charters to the Secretary of Agriculture, who is made a bumper between them and the Sherman Act; if he decides that they are proper, that decision bars prosecution under the Sherman Act. It is believed this remedies the constitutional defect, and indications are that in this form it will be pressed. ... Secretary Wallace recently stated the case of the farmer in a manner that commands nation-wide attention, saying the country has come to the point where it must decide whether it will be predominantly industrial, or will give the farmer a fair chance and retain its old character as both an industrial and agricultural community. Far from admitting that the things asked are of the nature of class privilege, the farm bloc insists that they are quite as much in the interest of the consumer as of the producer. ..."

Agricultural Credit

1. A slight betterment in conditions in the country districts has been manifest at the Chicago banks recently, indicating that the farmer has secured a new foothold and is beginning to discharge as much of his indebtedness as he is able to at this time. (Jour. of Commerce, Jan. 30.)

2. The Commercial and Financial Chronicle for January 28 contains a lengthy editorial reviewing the farmers' credit section of the recent report of the Congressional Joint Commission of Agricultural Inquiry. This says in part: "This is a very comprehensive, elaborate and kindly scheme. Nothing is to be left undone to put the farmer on his feet. His potential credit power is no longer to have the good earth itself as security and base as a lone and tardy means of issue. The stock that he is to raise, and the grain he is to grow, these shall have 'advances' made to them. Nor is the multiplication of credit through debentures forgotten. Also the Federal Land bank is to enter the doors of the Federal Reserve bank and borrow on 'the notes taken or discounted' from farmers and associations of farmers, as proposed. Thus, perhaps, the money that has heretofore too much been feeding the sharks of Wall Street from the all too easy and plethoric sources of the Federal Reserve bank or banks, may find useful employment in growing barley on the mountains of California. ... And may do so without waiting for results, or even 'warehouse receipts' upon results. Growing or feeding stock for the market, three years or six months, it is the same. The fountains of credit are to be opened; and the deluge will follow. If the farmer wants to hold his grain, well and good, he is to be accommodated. And the whole process, linked up to the Federal Reserve System, will, we presume, find in the issue of Federal Reserve notes an unfailing supply. It is a very comprehensive, elaborate and kindly scheme. ... Better that our thousands of local banks help the farmer, as they are willing to do on natural lines, than that our banking system be wrecked by untried experimentation. Better for the farmer!"

Cooperative Marketing Bill

The Journal of Commerce, January 30, states that: "The agricultural bloc has served notice upon the leaders in the Senate that it will insist upon early consideration of the cooperative marketing bill. ... The bill, as reported out from the Judiciary Committee, is not satisfactory to the agrarian group, but the measure which passed the House meets with favor. The bill as it came from the Judiciary Committee contained a prohibition against monopoly which has caused some of the agricultural bloc members to be fearful of interference with the cooperative organization. The Senators were impressed with the fact that the farmers are behind them, but on the other hand they readily recognize that it would take years for them to put into effect the program adopted by the National Agricultural Conference."

Farmer on Reserve Board

"Safeguarding the Federal Reserve Board" is the title of an editorial in The Financial Age for January 28, which says: "It is lamentable that any such attempt should be made for as a matter of plain common sense, it is obvious that the Federal Reserve Board should not be composed of any special representatives of the

agricultural interests or any other special interests. Anyone familiar with the striking developments of the war and the reconstruction period will realize that membership in this great banking body should be restricted in a way which would give to the country only the greatest banking talent possible for work of this kind. It would be a most unfortunate development, therefore, for representatives of the farmers or other interests to insert in the law an amendment that would control the personnel of this great body."

The Price Current-Grain Reporter for January 25 says in its review of business and trade conditions: "It is not the putting of a competent farmer familiar with banking upon the board, which constitutes the offense of the Senate 'bloc,' it is the manifest purpose of humbugging the farmer by doing so; for it is inconceivable that the presence of a 'dirt farmer' on the board could affect one way or another the credit status of the farmer unless in some way not now understood the said 'farmer' should be able to pervert for that purpose the functioning of the Reserve System as directed by the law creating the Reserve System."

Wallaces' Farmer for January 27 says in an editorial: "Eastern financial interests have made a great outcry against recognizing the need of agricultural representation on the board. That was to be expected from the purely banker-minded sort of people. To those who can get their eyes off the coupons and per cents, however, it has become increasingly evident that agriculture and business generally have got to have something to say in the future about the administration of our credit machinery."

Foot-and-Mouth Disease Among British Cattle

The New York Times to-day states that the British Ministry of Agriculture, January 30, announced a serious outbreak of foot-and-mouth disease among the cattle in North England, one of the most widespread visitations the country has experienced for many years. The outbreak, which is mostly among Irish cattle, has occurred in six counties and an order has been issued prohibiting the movement of cattle over an area covering twelve counties.

Grain Storage

The Price Current-Grain Reporter for January 25 says in an editorial on "Dangers in Storing Grain,": "The recent experience of the South Ottawa Grain and Supply Co., at Ottawa, Ills., is but more testimony going to show how unsafe for both the operator and the farmer is the practice of 'storing' grain in country elevators. ... Following this practice, legal enough in itself, so far as liability for conversion is concerned, the South Ottawa manager sold the grain stored with him, some of it corn, for $1.65; and the owner who 'stored' it wants to know what became of his money and no doubt believes he has a claim against the company for his corn at $1.65, which most probably he has not. ... The South Ottawa Company is behind about $30,000 and in trouble."

Inflation

"One fact of utmost significance which is more and more emphasized as current events indicate the drift of public opinion on pending economic issues is the extent to which the demand for further price inflation seems to have rooted itself in all classes. A fundamental demand of the farmer is higher prices for agricultural products, while nearly every influential group of business men has

at one time or another devoted itself to the stabilization of prices. Such stabilization has usually meant opposition to decline and has been but too successful in many cases. Labor is more positive than perhaps any other element in the productive mechanism in its demand for maintenance of prices for its own commodity. What is more interesting of all is the fact that, as if smitten with a national disease the great majority of all classes turn to the idea of large credits or loans as a means of maintaining values. ..." (Jour. of Commerce, Jan. 30.)

Section 3.

MARKET QUOTATIONS.

Farm Products

Jan. 30: Chicago wheat prices unsettled but closed higher; Chicago May wheat $1.19 3/4; Chicago May corn lower at 54 1/4¢. Visible supply wheat 43,871,000 bushels, an increase of 49,000 bushels for week. Visible supply corn 26,729,000 bushels, an increase of 612,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat $1.27; No. 2 hard winter wheat $1.19; No. 2 mixed corn 50¢; No. 3 white oats 35¢. Average farm prices: No. 2 mixed corn in Central Iowa about 37¢; No. 1 dark northern wheat in Central North Dakota $1.17 1/2; No. 2 hard winter wheat in Central Kansas $1.

Chicago hog prices higher, bulk of sales $8.75 to $9.15. Beef steers generally strong to 15¢ higher; medium and good beef steers $6.65 to $9.10; butcher cows and heifers $3.65 to $7.50. Best fat lambs down 10¢ to 15¢. Fat lambs $11.75 to $13.75.

Chicago potato market slightly weaker; other markets steady to firm. New York sacked Round Whites firm f.o.b. at $2.05 to $2.10. New York Baldwin apples A 2 1/2 inch firm f.o.b. at $7 per bbl. New York Danish type cabbage steady f.o.b. Western New York points at $35 per ton bulk. Massachusetts Yellow Globe onions reached high point of season at $7.75 to $8 per 100 lb. sack.

Hay markets fairly steady; receipts slightly in excess of demand in several markets. Low grades moving slowly. Feed markets quiet. Most sales are for immediate shipment. Consumers buying from hand to mouth.

Butter markets steady to firm; demand good; available supplies readily taken. Cheese markets steady. Southern demand good.

Spot cotton down 48 points at 15.56¢ per lb. New York March futures down 53 points at 16.12¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Jan. 30: Average closing price 20 industrials 81.33, as compared with 76.13 corresponding day 1921; average closing price 20 railroad stock 74.98, as compared with 76.17. (Wall St. Jour., Jan. 31.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 26. Section 1. February 1,1922.

Senator Kenyon's Nomination

The press of to-day states that charges that the administration is seeking to destroy the power of the agricultural bloc in the Senate were made in that body, January 31, following the nomination by President Harding of Senator William S. Kenyon, of Iowa, to be circuit judge for the Eighth judicial circuit. Senator Kenyon, whose nomination was quickly confirmed by rising vote in open executive session, is now the leader of the agrarian bloc.

In an editorial on the subject the Baltimore Sun to-day makes the following comment: "If the naming of Senator Kenyon as a Federal judge was intended as a blow at the agricultural bloc in the Senate, we doubt that it will be successful. It may deprive that aggregation of a single vote for a limited period of time, but we take it for granted that Mr. Kenyon's Iowa constitutents favored his course in affiliating with the bloc and that when they elect his successor they will choose a man equally in sympathy with it. ... More serious will be the depriving of the bloc of Senator Kenyon's leadership. He had gifts in that direction. ... But, even so, it can hardly be thought that his removal from the Senate will virtually injure the bloc. For what gave vitality to that organization was not the individuals who composed it, but the living issues behind it. It dealt with realities, whereas the political parties, whose function it ursurped, were content to deal with issues more or less bogus."

Commenting upon Senator Kenyon's appointment, The New York Times to-day says in an editorial: "The Governor of Iowa may be depended upon to appoint an agrarian of the straitest sect in Mr. Kenyon's place. To be sure, the new man will be subject to the disadvantages of freshmen and the rule of seniors first on committees; but that will be Iowa's loss, rather than that of the bloc. The bucolic battalion in the Senate has captains, at least one captain, as skillful and doughty as Mr. Kenyon. In his artless New Hampshire manner, Senator Moses allowed himself to speak the other day of the 'Ken-Kap Clan!' Arthur Capper, the heart of bleeding Kansas, will take up the victor sword that Mr. Kenyon throws down. The unselfish, generous purposes of the friends of government of, for and by farmers only will be carried on. Everything is as well as it was before, except that the warlocks who saw in Mr. Kenyon the predestined chief of a new party have to revise and amend their vaticinations."

Tariff Valuation Plan

The special tariff convention of the National Association of Manufacturers adjourned January 31 after hearing a number of speeches favoring the American valuation clause of the Fordney tariff bill and appointing a committee to present the organization's arguments advocating this principle before the Senate Finance Committee today. American valuation was advocated by Charles M. Schwab in a letter read to the delegation, on the ground that "American standards" should be applied to the tariff laws. (Press, Feb. 1.)

Section 2.

Agricultural Bloc

Senator Kenyon defended the agricultural bloc in an address before several hundred farmers at Martinsburg, W.Va., January 31. He said: "When some of us got together to discuss farm questions, we were dubbed the agricultural bloc. There had been other blocs before this, including the trust bloc, the beer bloc and the social bloc, and nothing was ever said, but as soon as some of us got together in an effort to relieve the agricultural situation, a howl went up as though we were going to tear down the Republic. However, the bloc is not sectional nor an 'East or West' affair. It is intended for the good of the agricultural industry at large." (Press, Feb. 1.)

Agricultural Conference Comment

The Journal of Commerce for January 31 says in an editorial: "It is not altogether easy to know with very great definiteness just what the farmers actually desire from the railroad industry. No doubt they want lower freight rates on agricultural products. There is some indication of at least a partial realization on their part that insistence upon drastic reduction in these charges might well prove very poor policy unless the railroads were allowed to reduce operating expenses in the meantime. However, if the delegates to the recent agricultural conference in Washington had any very real conviction of the necessity for more normal labor expense... they did not give a great deal of evidence of it, or at all events they could not gain their own consent to any very definite expression of opinion in the matter. ... If the resolution finally adopted by the conference is to be interpreted as a demand that railway labor accept lower wages and that savings thus effected be passed on to the shipper their position is well taken, but it is regrettable that these farmers did not speak more explicitly and boldly."

Agricultural Financing

During the week ending January 28, 1922, the War Finance Corporation approved a total of 368 advances, aggregating $11,095,000, for agricultural and live-stock purposes. The Board also approved an advance of $150,000 to a banking institution organized to promote export trade, for the purpose of financing the exportation of cotton. (W. F. C. press statement, Jan. 30.)

Agricultural Outlook

In an editorial on "The Coming Prosperity," Wallaces' Farmer for January 27 says: "We believe that there is now a chance that 1922 will witness the beginning of a year or two of real prosperity. There are only one or two things which have to be decided before a genuine upward movement begins. At the economic conference at Genoa, early in March, it will be necessary to take action on German reparations such as will encourage Germany to balance her budget and prevent further declines in the German mark. If the nations gathered together at Genoa come to an understanding based on economics rather than on politics, and there is real reason for believing that they will come to such an understanding, then the most formidable object in the way of a revival of prosperity will have been cleared away. In the United States, one of the chief prerequisites of a revival of prosperity is a reduction of union wages, and especially railroad wages, until they are not more than 70 per cent above the prewar level. The big leaders of industry know that once prices start to rise the position of labor will be much stronger than at the present

time. There is strong reason for believing, therefore, that they intend to hold back the renewal of prosperity as long as they can in order that wages of union labor may be brought down to a level more nearly comparable with prices generally."

Agriculture Here and Abroad

"Farming as a Business Here and Abroad" is the title of an article by John Walker Harrington in The Annalist for January 30, based on figures supplied by the Year Book of the Department of Agriculture and by Secretary Wallace's annual report. The article says: "More than does any other class of citizens in the country, the farmers have the ear of Congress, and yet they are not satisfied that they are having a square deal at this time. Their complaints concerning prices and business depression resound through the halls of the Capitol, and here and there are the evidences that the agricultural element is determined, once and for all, to put Wall Street where it thinks that street of the money changers belongs. In the meantime what is the status of tilling the soil as an industry, and how does it compare with similar activities throughout the world? Considering such details as these may aid in determining the policies to be pursued for the restoration of American agriculture to its prewar basis and for putting it on its feet."

Cuban Sugar Situation

"Cuba is on the mend. The sugar situation is better. No estimate of the size of the new crop is possible until the grinding season is over, but there is no necessity for laws in Cuba restricting the amount of the crop. The fact that the mills started grinding later than usual, that the cane is not so well cleaned, that there has not been so much transplanting and that a number of Spaniards employed as cane cutters have left the island all tends to curtail the Cuban crop this year." (From statement of C.E. Mitchell, president of N.Y. National City Bank, in Jour. of Commerce, Jan. 31.)

Fertilizer Brands

The Baltimore Sun to-day says in an editorial: "To the non-agricultural layman there seems nothing strange or objectionable in the efforts of the National Fertilizer Association to make high-analysis brands of fertilizer more popular among the farmers. In fact, it seems decidedly sensible to urge that farmers should buy their fertilizer in reasonably concentrated form, in order to save labor and transportation charges. The Department of Agriculture has approved the idea, as have various agricultural experts, and the present era of high freight rates should be of great service in persuading the farmer to consider it seriously. Certainly the handling of unnecessarily large quantities of neutral material in addition to the fertilizer itself is uneconomic at any time and especially so just now."

"Free Seeds"

In an editorial entitled "That Free Seed Graft" Western Farm Life for January 15 says: "The direct appropriation for free seed distribution amounts to $235,000, but it takes just about again as much to mail the packages, consequently the estimate of half a million dollars is not far wrong. Throwing away money at these times of stress is criminal. And to do it in the shape of petty graft is idiotic. No sensible voter allows a package of free seeds to influence his ballot on congressman or senator, yet that and nothing else was the inspiration of the plan when it was originated many years ago."

Price-Fixing

The New York Times January 30 says in an editorial: "The history of price-fixing is full of disappointments. Prices are the expression of human desires, and desires vary. If desires cannot be stabilized, prices cannot be. There are pressing on the market millions of tons of distress crops held in countries where the farmers are financed less liberally than here. The market will take the cheaper offerings. ... "

St. Lawrence Waterway

The Journal of Commerce for January 31 says in an editorial entitled "What Should We Do With the St. Lawrence?": "Few of the many suggestions currently put forward as 'aids' for the embattled farmer have had less adequate, broadminded and sane attention from the public at large than the proposed St. Lawrence Canal. Opinions, where they have been formed, are usually based on inadequate information and too frequently upon prejudice or narrow self-interest. Western farmers favor the immediate construction of such a waterway because they think it will free them from their alleged bondage to New York. Local interests usually propose it in toto for the reason that they fear injury to the Erie Barge Canal and to the port of New York. Much irrelevant talk is heard about our participation in the erection of a waterway lying in large part in a foreign country, and quite recently counter proposals of an 'All-American' route through New York State have been put forward. There must be some basis of common sense in the matter. That basis is, however, not likely to be reached through the sort of reasoning now usually applied. What are the facts? Considered purely as the development of a waterway from the Great Lakes to the sea, the whole project as now currently proposed is clearly indefensible. It would cost several hundred million dollars. ... It would be a grave error indeed for the Government to enter directly into this business which private initiative can conduct far better. Here is a matter of first importance. It should be lifted out of the turmoil of politics. There is no earthly reason why the whole should not be considered from a dispassionate business standpoint. In that event there could be but one mind with reference to the basic questions involved."

Tariff Results

A dispatch from Ottawa to The Journal of Commerce for January 31 says: "The United States emergency tariff has made a further heavy cut into the exports of Canada to the United States, and this is exemplified in the December trade figures, which have already been published. It was noted that the value of exports affected by the new tariff was $6,545,451, as compared with $32,026,049 for December 1920, a decrease of 80 per cent. For the seven months that this measure has been in operation, from June to December 31, the value of these exports has been but $32,473,150, as compared with $125,480,491 for the same period in 1920. Wheat has been hardest hit by the action of the United States. In December last the exports were but 3,365,601 bushels, as against 12,234,449 bushels for the same month in 1920. For the seven months ending December last the exports were 10,923,926, as against 30,823,177 bushels for the same period in 1920."

Cooperative Marketing Bill

On motion of Senator Kellogg, the cooperative marketing bill, urged by agriculturists, was made the unfinished business in the Senate January 31. (Press, Feb. 1.)

Section 3.

Department of Agriculture

In an editorial reviewing the work of the "Committee of Seventeen" and the enaction of The Future Trading Law, The Northwestern Miller for January 25 says: "So far, the mountain has brought forth a mouse at that. The Capper-Tincher bill has, indeed, taxed certain forms of future transactions practically out of existence, and it seems probable that the constitutionality of these taxes will be permanently upheld. Grain dealers are compelled to make elaborate returns, under pain of spending the rest of their natural lives in prison, but it is not recorded that any one has yet been sentenced. As a whole, the grain trade continues to operate very much as if the agitation of last winter and spring had never taken place. This is not because the grain farmers are any better off now than they were a year ago; as a matter of fact their position has grown steadily worse. ... The reason why the sudden effort to reconstruct the entire grain marketing system has proved so nearly ineffectual is that the farmers' financial troubles had very little relation to the established methods of marketing their products. When it came to the point of actually putting into effect the proposed drastic changes, the representatives of the grain growers realized that they were in danger of destroying the only channels through which the farmers could reach the consumers at all. ... "

Section 4.
MARKET QUOTATIONS.

Farm Products

Jan.31: Chicago wheat prices declined on absence of foreign demand. Milder temperature and scattered rains in Southwest. Corn trade local and affected by wheat. Export demand for corn practically at standstill. Chicago May wheat lower at $1.18 3/4; Chicago May corn lower at 53 3/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.26; No. 2 hard winter wheat $1.18; No. 2 mixed corn 49¢; No. 2 yellow corn 49¢; No. 3 white oats 34¢. Average farm prices: No. 2 mixed corn in Central Iowa 36 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.18 1/2; No. 2 hard winter wheat in Central Kansas $1.03.

Chicago hog prices higher, bulk of sales $8.90 to $9.25. Beef steers strong to 15¢ higher, medium and good beef steers $6.75 to $9.15. Butcher cows and heifers steady at $3.75 to $7.50. Best fat lambs strong to 25¢ higher; fat lambs $11.75 to $14.

Potato markets slow and dull. Chicago market slightly stronger, New York sacked Round Whites steady f.o.b. at $2.05 to $2.10 per 100 lbs. Maine Green Mountains in bulk down 10 at $1.56 to $1.66. New York Danish type cabbage slightly weaker f.o.b. at $33 to $34 per ton bulk. New York Baldwin apples A 2 1/2 firm f.o.b. at $7. Delaware and Maryland sweet potatoes $2 per bushel hamper in Boston.

Spot cotton up 15 points closing at 15.71¢ per lb. New York March futures up 29 points at 16.41¢. (Prepared by Bur.of Mkts.& Crop Crop Est.)

Industrials and Railroads

Jan. 31: Average closing price 20 industrials 81.30 as compared with 75.48 corresponding day 1921; average closing price 20 railroad stocks 74.73 as compared with 75.38. (Wall St. Jour., Feb.1)

UNITED STATES DEPARTMENT OF AGRICULTURE

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Vol. IV, no. 27. Section 1. February 2, 1922.

Bloc Leadership

"The Lost Leader" is the title of an editorial in The Philadelphia Public Ledger to-day, which says in reference to the appointment of Senator Kenyon to a circuit judgship: "Predictions that the 'farm bloc' will now break down and blow up with a loud bang are in order. Not yet. It is a blow, of course, but other leaders have been pressing the somewhat slow, cautious, and always conservative Kenyon. His resignation may prove a bad turn for a country facing a class-conscious bloc just now beginning to taste blood. His successor may not be as sound always as Kenyon or as sane and cautious. There will be a successor, and the movement Kenyon headed will move along to its appointed end. That may be two years or it may be many more than two. That depends upon the grievances that created it and the conditions that bred these grievances. When farm prices level up and other prices level down, the storm will be ending and the political groundswell only will remain. The movement is bigger than Kenyon, who was no more than its senatorial spokesman and figurehead. It is bigger than any one man in it."

Farmers Warned of Radicalism

Radicalism will increase in the event of delayed agricultural economic adjustments, J. R. Howard, president of the American Farm Bureau Federation, declared in an address February 1 at farmers' week at Ohio State University. "The agricultural conference called by President Harding last week showed at the start a wind current toward the farmer-labor movement," he said.

"Personally," he declared, "I approve that constructive radicalism which provokes serious thought. It spells progress. I will go the limit regarding cooperative marketing and government supervision of all public utilities. But I must draw the line on an 'ism' that is destructive and not constructive, particularly if destructive of that greatest of all human agencies--personal initiative. I deplore a growing tendency on the part, not only of some farmers, but other men in high places, to stress the functioning of Government too much and of the individual too little." (Press, Feb. 1.)

Muscle Shoals

On the eve of delivery to Congress by Secretary Weeks of Henry Ford's offer for the Government properties at Muscle Shoals, Ala., Frederick E. Engstrum, of Wilmington, N. C., presented the Secretary of War with an amended proposal to

complete, lease, and operate the Muscle Shoals properties for the manufacture of nitrates for fertilizers. (Press, Feb. 2,)

St. Lawrence Waterway

Representative Mapes, February 1, introduced a bill proposing that Congress accept the report of the International Joint Commission on the Great Lakes-St. Lawrence waterway. Mr. Mapes's bill provided for adoption by Congress of the recommendations set forth in the report, subject to further diplomatic negotiations between the United States and Canada and such other legislative action as would be necessary by the Canadian Parliament and the American Congress. (Press, Feb. 2.)

Tariff Legislation

President Edgerton, of the National Association of Manufacturers, February 1, submitted to the Senate resolutions adopted by the convention held in Washington this week urging enactment of the American valuation plan, as contained in the House bill. (Press, Feb. 2.)

Conference Comment

In its review of the agricultural conference, Commerce and Finance for February 1 says: "In the last analysis nearly every one of the innumerable proposals made for the betterment of the farmers' condition contemplate the use of Government credit or money. They range from a demand that U. S. Treasury notes or greenbacks shall be issued against farmers' obligations or agricultural products to a scheme which calls for a practically unlimited bond issue for the purchase of everything produced on the farm at not less than cost. Some of them are practicable, others are chimerical. In the former class may be included a plea for the continuance of the War Finance Corporation or its equivalent and a plan for supplying crop insurance to those who are willing to pay for it..."

Section 2.

Agricultural Bloc

"Gold Bricks in Blocs" is the title of an article by Charles F. Scott, in The Nation's Business for February. This says in part: "The agricultural bloc in Congress is now trying to shape legislation in such a way as to relieve the farmers of taxation and heap the burdens of Government upon capitalists or manufacturers. The labor bloc is fighting for anything that will help organized labor regardless of its effect upon the rest of the people. Every bloc, whether consciously or not, is disregarding the slogan, 'Equal rights for all,' and is seeking special privileges for a few. Fundamentally the farmers of America are conservative, fair-minded, and patriotic. They do not intentionally injure any other class of the people and they do not consciously seek special privileges for themselves. The reason they are so often put in the attitude of doing both of these things is that they are not political economists, with a wide horizon and a clear comprehension of the inter-relationship of all

lines of industrial, commercial, and financial activities, and ttherefore are easily made the victims of false or shallow-minded leadership--leadership which is either consciously demagogical or ignorantly wrong-headed....For generations the farmers have suffered, and they are suffering now from such leadership. Again and again in the course of our history men have come to the front.... who have told the farmer that there is abroad in the land a fell conspiracy to deprive him of his just deserts, to restrict him to a niggardly dole for his labor, to deliver him into the clutches of the 'money kings;' and then have offered themselves and their panaceas as a way out of all these woes....It is no wonder that the farmer again and again has been brought to support measures that promised easy and quick relief but which in performance proved to be only quick nostrums, leaving the last condition of the patient worse than the first."

Agricultural Credit

In a review of the recent report of the Congressional Joint Commission of Agricultural Inquiry, The Michigan Farmer for January 28 says: "Incidentally the commission criticized the Federal Reserve Board's policy during the months following the armistice by expressing the opinion that much expansion, speculation, and extravagance could and should have been avoided by advances in the discount rates of the Federal Reserve banks in the early part of 1919, notwithstanding the difficulty anticipated in floating the Victory Loan, and expressed the opinion that if such a policy had been then established the difficulties, hardships, and losses which occurred in 1920-21 as a result of the process of deflation and liquidation would have been diminished.....This criticism is of value only as it may aid in the avoidance of future errors in the formation of national financial policies. The Federal Reserve System has been of undoubted value to the country during the stress of the war and postwar periods. If it can be used more effectively to aid in the stabilization of the basic industry ofagriculture in common with other industries of the country by a better direction of its policies or a broadening of the scope of its activities it will be of still greater value to the country."

Agricultural Financing

Commercial West for January 28 says: "A group of bankers in western Minnesota sent a telegram to President Harding, January 14, enlarging upon the sad plight of the farmers and urging more Federal aid to farmers through the War Finance Corporation. This wire was misleading in some of its statements, especially in the one which made this statement in regard to the War Finance Corporation: 'This corporation has helped directly only the large banks in the cities and has thus far afforded no relief to the farmers whatever and but little to the country banks.' ...Of course those who are at all familiar with the actual operations of this Federal Government loan bureau and its work during the past five months know this is not the case. No advances have yet been made to city banks in large cities in the agricultural districts, but these loans have been entirely to country banks and trust companies or to co-operative associations which have been organized among farmers and

others to handle farm products including live stock....According to reports given out by the Federal Reserve Bank, the credit situation is very materially improved here in the Northwest, since the operations of the War Finance Corporation. Many country banks have been put in a comfortable position that were embarrassed or their reserves intrenched upon, and farmers have not been pressed to liquidate their loans at the country banks, on account of the relief afforded by the advances from this War Finance Corporation fund. ..."

Agricultural Situation

That the return to normal prosperity is being seriously delayed, and that inconceivable harm is resulting from misinterpretation of the actual situation as regards the farmer in the United States, is the statement made by E. A. Strout, president of the Strout Farm Agency, Inc., which has headquarters in New York City and nearly 700 local offices throughout the United States and Canada, according to a statement in New York Commercial for February 1. "A wholly false impression regarding the situation is being developed," said Mr. Strout, "in that what is undoubtedly true of a certain class of farmers is made to appear as true to all engaged in farming. As a matter of fact, conditions as they affect the farmer generally are good when they are compared with almost any other industry in the country to-day. The one-crop farmer, working on high-priced land, raising grain or cotton, for instance, has suffered a serious setback. But the average general small farmer. ...is in a pretty comfortable position."

Bankers' Methods

The Wall Street Journal for February 1 says in an editorial: "Taken as a whole, our country bankers measure up with any other class of the community. It is unfair to blame any class, incidentally even Wall Street, for the faults of a small and regrettable minority. But there are some country bankers who are not playing fair, either with the farmer or the Federal Reserve System. Unless the complaints made by responsible men at the agricultural conference are without any basis of truth, some of these bankers have shown exactly the same lack of vision as many of the small retail merchants. They have been stupidly and even unethically charging more than the traffic will bear... . Some of the farmers in Washington had facts and figures, and in nothing was their charge more damaging than in the implication given by the country banker that it was not himselfbut the Federal Reserve system which was exploiting the farmer...."

Bloc Government

"Are We Coming to Government by Bloc?" is the title of an article by James M. Baker, in Commerce and Finance for February 1. This says: "The power of blocs lies in the fact that they usually represent a minority vote whose strength is uncertain, undisclosed and difficult to locate. This fact enables them to secure the acceptance of their contentions from those who have charge of the legislative subject without having to resort to a record vote. When the tariff bill comes before the Senate for consideration the 'bloc' system will have a great opportunity to demonstrate its value as a legislative expedient."

Grain Marketing

Further conferences were held recently at Fargo to bring about a more definite agreement between the U. S. Grain Growers Inc., and the equity. A committee of five has been appointed by the latter organization to resume negotiations for a working relationship with the farmer-owned corporation. (I.A.A.News Letter, Jan. 26.)

Section 3.

MARKET QUOTATIONS.

Farm Products

Feb. 1: Chicago grain market unsettled but rallied toward close; Chicago May wheat higher at $1.19 1/2; Chicago May corn higher at 54 cents. Flour business reported improving. Country offerings wheat to arrive light. Movement of corn to terminal markets in January largest on record. Closing prices in Chicago cash market: No. 2 red winter wheat $1.26; No. 2 hard winter wheat $1.17; No. 2 mixed corn 49 cents; No. 3 white oats 35 cents. Average farm prices: No. 2 mixed corn in central Iowa about 35 cents; No. 1 dark northern wheat in central North Dakota $1.17 1/2; No. 2 hard winter wheat in central Kansas $1.

Chicago hog market lower, bulk of sales $8.75 to $9. Beef steers fairly active, medium and good beef steers $6.75 to $9.15, butcher cows and heifers $4 to $7.65. Sheep and lambs mostly steady, fat lambs $11.75 to $14.

Potato consuming markets slightly weaker. New York sacked Round Whites steady f.o.b. western New York points at $2.05 to $2.10 per 100 pounds. Maine Green Mountains in bulk steady f.o.b. at $1.56 to $1.66. New York Baldwin apples A 2 1/2 inch, wire orders, firm f.o.b. Rochester district at $7 to $7.25 per barrel. New York Danish type cabbage firm f.o.b. at $35 per ton bulk.

Hay market continued dull generally. Receipts not large but equal to limited demand. Poorer grades sell slowly. Prices practically unchanged. Feed markets generally firmer on improved demand. Wheat feeds advanced on reported short covering by Minneapolis jobbers.

Butter markets barely steady. Best trading on top grades. Cheese markets steady; business fairly active in Wisconsin. Distributing markets quiet.

Spot cotton up 31 points at 16.02 cents per pound. New York March futures up 44 points at 16.85 cents. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 1: Average closing price 20 industrials 81.68 as compared with 74.98 corresponding day 1921; average closing price 20 railroad stocks 74.68 as compared with 75.21. (Wall St. Jour., Feb. 2.)

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Vol. IV, No. 28. Section 1. February 3, 1922.

Cooperative Marketing Bill

The campaign for enactment of a cooperative marketing law was opened February 2 in the Senate by Senator Kellogg, who declared one of the greatest movements in modern times for the relief of the agricultural population was through the formation of a cooperative marketing association. Senator Kellogg urged the Senate to pass the House bill and reject the Senate substitute, explaining that the Senate provision subjecting such associations to the anti-trust laws would prevent the associations from functioning effectively. The House bill, he said, would bring reasonable prices for the farmer, by lessening the cost of marketing his products and by reducing 'the present unreasonable difference between what the farmers receive and consuming public pays.'" (Press, Feb. 3.)

Muscle Shoals Offer

Speaker Gillett of the House of Representatives, February 2, received from the Secretary of War Henry Ford's proposal for lease and purchase of the Muscle Shoals, Ala., nitrate and water power projects and referred the document without delay to the Military Affairs Committee. (Press, Feb.3.)

In an editorial on the subject, The Philadelphia Public Ledger to-day says: "Henry Ford wishes to take the plants and furnish waterpower for a new industrial district and nitrates for use in compounding fertilizers. The farmers of the cotton belt and of the whole country want Ford to have the plants. The farm organizations and 'Farm Bloc' are back of him. The nitrate interests and the fertilizer manufacturers are tooth and nail against him. Secretary Weeks says the acceptance of the Ford proposal means that 'The Government must make new appropriations amounting to $40,000,000 to $50,000,000, of which Mr. Ford will have the benefit for approximately 100 years at 4 per cent.' The Government has the choice of accepting some such proposition, or of finishing up the plant and running it, or of selling the whole thing as junk. It is not likely it will be scrapped. ... The whole proposal should have the light played over it. In the meanwhile, it is interesting to note that the nitrate interests who are frothing at the mouth over the proposal insist that Ford cannot produce nitrates. Then why the excitement? If Mr. Ford cannot produce nitrates, if his whole scheme is 'bogus,' why are the nitrate interests and the fertilizer people so worked up about it? Congress should find out."

Farm Loan Bond Sale

A New York syndicate was formed February 2 with the expectation of handling about $40,000,000 worth of the $75,000,000 issue of Federal Farm Loan bonds which will be put on the central market throughout the country February 5. (Press, Feb. 3.)

Agricultural Conference Comment

Manufacturers' Record for February 2 says: "So far as the conference saw fit to indorse in principle the permanent credit structure that the Congressional Joint Commission after long study had suggested, its action may be applauded. If the proposed legislation can be put through without emasculating amendments; if the farmer can indeed be provided with an adequate warehousing system and a parallel credit system which gives to him financial facilities nearly on a par with those enjoyed by the ordinary merchants in town, then there will be laid the foundations of a sustained national policy in relation to agriculture which in time will prove to be of incalculable benefit. ... If the conference was intended to split the Agricultural Bloc it proved to be a boomerang. For the one thing the conference did prove beyond all question was the bloc was an absolute necessity and that through its activities alone had the Government been wrought to any appreciation of the lamentable status of agriculture. This country has been without an agrarian policy for more than half a century. It could hope to get one only through political activity."

Section 2.

Agricultural Bloc

The Washington Farmer for January 26 says in an editorial: "The Farmer has no fear that the agricultural bloc will become a permanent party in congress. The American farmers needed a champion, and the senators who constitute this bloc came to their call in an hour of dire need. When that need has passed, the agricultural bloc will dissolve and we shall see a return to the old party alignments. It is one thing to oppose the permanent formation of parties along class lines. A good deal can be said in opposition to that departure from the traditions and practices of government in this country. We can readily understand that the national welfare would suffer if congress were made up of 'blocs' of conflicting interests - one group fighting always for organized labor, another for the organized farmer, another for the organized railroad interests, another for the bankers and yet another for the commercial interests. But the coming together of a considerable number of senators and representatives, drawn into united action spontaneously by an overwhelming menace to the agricultural interests of the nation is another proposition. We think we know the heart and purpose of the farmers of this country. We know it is not their desire that they should have special or preferential treatment by the Government. They want only such regard for and consideration of agriculture as will be of benefit to the entire nation. The fact that the purchasing power of the American farmers has been cut down $8,000,000,000 in two years, as reported by Secretary Wallace, is conclusive proof that the slump in prices of farm products was an injury not only to the American farmer, but a deep injury to the nation."

Agricultural Financing

"Give Us Cash" is the title of an editorial in The Prairie Farmer for January 26, which says: "It is true that many farmers need more credit, and that most of them need it on better terms. But in too many cases plans for agricultural relief are based almost entirely on credit, and largely ignore the still greater need of more profitable prices. As one of our readers puts it: 'The ability to borrow money is important, but the ability to pay it back is

still more important.' By all means let us improve our agricultural credit system. We need loans on longer time and at lower rates of interest. We need to multiply the usefulness of the Federal land banks. We even need such temporary measures as the War-Finance Act to help us meet the present emergency. But most of all we need profitable prices. Give us that and the question of credit becomes of minor importance. Eliminate gambling in farm products, straighten out the road to market, give us a fair share of the money the consumer pays for food, and we should worry about credit."

Agricultural Situation

In its review of the month, Federal Reserve Bulletin for January says: "Increasing ease in credit conditions has been more and more evident during the past month in those agricultural districts which had been subjected to the greatest strain. This is reflected in the recent reductions in the rediscount rates of the Federal Reserve banks of Atlanta and of Richmond. Further evidence of relaxation of credit stringency is found in the fact that by the middle of December inter-reserve bank rediscounts had been so reduced that only a negligible amount of $1,000,000, representing a contingent liability of the Federal Reserve Bank of Dallas, remained outstanding at that time. Since then that item has disappeared. ...

"Such difficulties as still remain in business relationships within the country have already been traced to maladjustment of credit, the presence of 'frozen loans' in some parts of the country, and, no doubt, the too extensive liquidation of paper elsewhere...."

Farmer for Reserve Board

The Farmer (St.Paul) for January 28 says in an editorial: "It is rather amusing to note the excitement raised in Congressional circles, and in business circles as well, because of the proposal to place a farmer on the Federal Reserve Board. ... It has been charged, and apparently with some cause, with an unsympathetic attitude toward agriculture. ... Last week the 'agricultural bloc' in the United States Senate was successful in passing a bill which adds an additional member to the Federal Reserve Board, who by agreement with President Harding is to be either a 'dirt' farmer or at least a close friend of agriculture. ... The amusing feature of this news is found in the commotion that is stirred up whenever the 'agricultural bloc' scores a victory or whenever agriculture is given a concession by legislative action. Just why any one should be alarmed when the friends of agriculture obtain the granting of concessions which should come automatically without legislation, is more than we can understand. It is absurd that farmers should be forced to secure legislation of this sort, but it is gratifying to know that such laws can be passed when necessary. There is every justification for the 'agricultural bloc' under such circumstances. Furthermore, the activities of such a bloc do not spell disaster to any legitimate industry."

Foreign Trade

"The final showing made by our foreign trade for the past year ought to be carefully studied. It is a showing that bears directly upon the future prospects of every man in the United States. Briefly stated, it merely demonstrates that export and import trade have receded about 50 per cent as compared with the year 1920, taking total figures as a basis of comparison. What

does this mean? Some optimists urge that it shows merely a decline in values and that the quantities of goods shipped have held up very well. It is true, however, that the great recession of prices began in May, 1920, and that no inconsiderable part of the trade of that year moved at considerably reduced values. It is also true that the shrinkage of exports has been much greater in manufactures than in any other branch of our business. Even when all allowance has been made for price changes and for general alleviating circumstances it is a fact that our foreign trade has shown a terrible falling off and that this decline is worst in highly developed lines. ... The decline in foreign trade has not yet reached its limit. Those who are closest to the banking situation admit clearly enough that there is a steady lessening in foreign applications for credit and that world liquidation is still proceeding. ... There are those who assert that foreign trade is not essential to a nation and that the United States might easily get along with its domestic business and yet do very well. The fact is that the whole world has organized itself upon a footing of foreign trade organization and that, during the past few years especially, there has been a growth of dependence on foreign trade. ... Do we want foreign business? The farmer has been inclined to say no. He has urged prohibitive tariffs on his own products. The manufacturer has asked, and still asks in many cases, an embargo. And yet each of these groups in the community retain a mental reservation that it wants to export -- must do so, in fact, to keep fully occupied. Nevertheless there is no action on the part of any class to bring about a rectification of foreign financial relations. ... There must be a rectification of exchange, a betterment in the international market for capital and a general improvement of marketing and selling abroad combined with more regular and stable methods of paying for the goods thus disposed of." (Jour. of Commerce, Feb. 1.)

Marketing Law's Effect on Consumer

"City and Country Prices?" is the title of an editorial in The Washington Post to-day which says: "What is the city man with a large family to get out of the cooperative marketing law, so soon to be upon the statute books after a long period of evolution? It is from this point of view that the urban dweller is studying the legislation upon which the 'agricultural West' has set its heart. ... Will cooperative marketing be reflected in cheaper prices on the townsman's dinner table? Such assurances on this score as have been made from time to time have been encouraging. It is claimed that the freeing of the farmer from the antitrust restrictions of existing laws, to enable him, in effect, to organize corporations for the better marketing of his produce, will cut down, if it does not entirely eliminate, the rapacious middlemen, who stand between the farm and the city market. ... Certainly something is wrong with a system under which the middleman handling a beef obtains from the carcass in two hours more profit than is obtained by the stockman who devoted three years to its raising. It is through the elimination of the unnecessary middleman that the city man, the ultimate consumer, ought to benefit from cooperative marketing. Enthusiasm will be somewhat tempered by reflection. The consumer of the Eastern cities remembers how much he expected from the parcel post and how little he actually obtained in the way of cheaper farm produce."

Wall Street on the Conference

"Organized Agriculture" is the title of an editorial in today's Wall Street Journal, which says: "In his valedictory address, Secretary Wallace told the agricultural conference that it had 'gained ground.' In the late war desirable ground was often gained but not always held. Whether the farmers hold and consolidate the ground they have gained will depend upon their future efforts. That they will do this seems probable, and, judging from what was seen at the conference, their future work of consolidation will be along lines of organization. Born of the critical condition of the industry upon which the stability of the Republic rests, the Washington conference is but the beginning of a great movement for agricultural betterment. ... The Washington conference should start a season of thinking and discussion among the more serious-minded farmers. They may embrace some fallacies, for they are only human, but their common sense will bring them to a sane and constructive decision. Whether or not they will find a solution of their problems in organization, this seems to be the line along which they will begin their efforts. Whatever road they may take the country is warmly interested in their ultimate success."

Section 3.
MARKET QUOTATIONS.

Farm Products

Feb. 2: Chicago wheat prices higher on buying influenced by strength in Liverpool and Buenos Aires markets. Export demand at seaboard reported fair. Chicago May wheat higher at $1.23 1/4; Chicago May corn higher at 54 1/2¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.30; No. 2 hard winter wheat $1.21; No. 2 mixed corn 49¢; No. 3 white oats 35¢. Average farm prices: No. 2 mixed corn in Central Iowa about 37¢; No. 1 dark northern wheat in Central North Dakota $1.18; No. 2 hard winter wheat in Central Kansas $1.03.

Chicago hog prices higher, bulk of sales $8.85 to $9.15. Beef steers steady to 15¢ higher, medium and good beef steers $6.75 to $9.15. Butcher cows and heifers steady to strong at $4 to $7.75. Sheep and lambs strong to 25¢ higher, fat lambs $11.75 to $14; feeding lambs $10.50 to $12.75.

Chicago potato market slightly stronger; other markets nearly steady. New York sacked Round Whites down 8¢ f.o.b. at $1.98 to $2.02 per 100 lbs. Maine Green Mountains steady at $1.56 to $1.66 per 100 lbs. bulk. New York Baldwin apples A 2 1/2 down 25¢; wire orders at shipping points $7 per bbl. New York Danish type cabbage nearly steady f.o.b. at $33 to $35 per ton bulk.

Hay market continues generally dull. Poorer grades sell slowly. Price variations within narrow ranges. Snow curtailing movement in central west and east. Feed markets generally firmer on improved demand.

Butter markets barely steady, with price tendency downward. Cheese markets steady. Dealers pushing sales, especially on fresh cheese. - Spot cotton closed at 16.07¢ per lb; New York March futures 16.85¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 2: Average closing price 20 industrials 82.86, as compared with 74.34 corresponding day 1921; average closing price 20 railroad stocks 75.19, compared with 74.41. (Wall St. Jour., Feb. 3.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 29. Section 1. February 4, 1922.

President Harding Shows Saving by Budget

Presiding yesterday at the second business meeting of the Government, President Harding announced that instead of a deficit in governmental finances, as was forecast in December, there now were prospects of a surplus of receipts over expenditures when the books are balanced at the end of next June. The President further announced it had been possible to reduce the Government's expenditures from a scale based on $4,500,000,000 a year to a scale of $3,974,000,000 and declared "that even in its formative period the budget system has justified our most confident expectations." More than a thousand officials from all the departments and establishments of the Government met with the President and received the reports of the various coordinators, transmitted by Director Dawes of the budget bureau whom the President described as "the genius" who made possible the cut in expenditures. (Assoc. Press, Feb. 4.)

The Packers' Case

The resolution of Senator LaFollette designed to prevent modification of the Federal court decree requiring the "Big Five" meat packers to relinquish their unrelated lines of business was adopted yesterday by the Senate. The Attorney General was requested by the resolution to furnish the Senate with information as to what steps have been taken to enforce the consent decree and with a statement as to modifications which have been sought. Senator LaFollette said the menace of the "Big Five" to the grocery trade was just as great as ever. Modification of the injunction of the District of Columbia courts, he declared, might open to "the packers' monopoly the opportunity to monopolize the entire grocers' business of the country." (Press, Feb. 4.)

A Wall Street Banker on Agricultural Position

Otto H. Kahn, speaking last night in New York before the Association of Stock Exchange firms, urged Wall Street to help the farmer in his fight for better conditions in the agricultural industry. The farmers' program, he declared, was designed mainly to secure relief for present troubles, and in general was a worthy one. At the same time the banker directed a plea to farmers and their leaders to desist from pressing their demands for legislation which would do the agricultural industry no good but, on the other hand, would react to the injury of other interests and the entire Nation. "Cooperation, mutual helpfulness, respect for one another's viewpoints and legitimate claims must be the order of the day," Mr. Kahn said, in discussing the relations of the financial and agricultural interests. "Let us so think and act that the farmer will learn to overcome the prejudice which makes the name of Wall Street to him synonymous with oppression, obstruction and antagonism to his interests and needs. Generally speaking, most of the proposals of the leading

responsible spokesmen for the farming community to secure increased facilities for the conduct of their industry are reasonable and justified by circumstances. Let Wall Street try and help them to realize that program and to put its business experience at their disposal to solve their problems. On the other hand, let us point out to the farmer that he has been misinformed in certain matters relating to business, and let us ask him and his leaders to reconsider their position and to cease from denying to us needed relief and from pursuing policies which do him no good and us harm; and, indeed, by virtue of the interdependence of all sections and callings, do him harm likewise." (Jour. of Commerce, Feb. 4.)

Wall Street and the Farmer

The Associated Press states in a report from New York, February 3: "Wall Street's interest in events at Washington has drifted rapidly from international affairs to the 'agricultural bloc' and the position of the farmer in the country's social and economic scheme. Almost every recent utterance of leading banking officials has dwelt with emphasis on this situation. The February circular of the Mechanics and Metals National Bank, which has many correspondents and other direct connections throughout the farming sections of the West, says, in part: 'The farmer's ill fortune, unlike its general recognition, has not been a matter of overnight development. It has been a feature of increasing significance over a period of nearly two years, or since the prices of foodstuffs began their long downward sweep.' "

Secretary Hoover on Freight Rates

General freight rate reductions are impossible at this time, because of the impoverished state of the railroad systems of the United States, Secretary Hoover testified yesterday at the Interstate Commerce Commission investigation of transportation rate levels. Until rates come down and railroad expenditures for new construction and betterments climb up, Mr. Hoover declared, "the economic machine will move slowly." He added, however, that in his opinion, wage scales must come down and railroad credit must be bettered before rates can safely be reduced. Mr. Hoover's views of railroad credit brought him into sharp conflict with Clifford Thorne, counsel for shippers and farm organizations, who demanded on cross-examination whether railroad users should be obliged to pay rates based "on stock securities issued as bonuses with bonds, created for promoters' profits," and generally representing no investment. "I've heard that talk all my life," rejoined Secretary Hoover, "but the commission is dealing with the future, not the past. Its rates are based on its tentative valuations of existing railroad property, not on the mass of paper in the markets which sells for a dollar one day and a hundred the next." (Assoc. Press, Feb. 4.)

Section 2.

Agricultural Bloc

1. In an editorial on the agricultural bloc in Congress, The New England Farms for January 21 says: "Within certain limits it is perfectly right and proper for any association or individual to try to influence the action of Congress in favor of the particular effort represented, and granting the right to all other activities, which they have enjoyed and exercised for years, no one will deny that the so-called agricultural bloc is a legitimate exercise of the same right. The trouble is that the farmer has been ignored for so long that now that he is aroused and is demanding and insisting upon the recognition of his problems which are affected by legislation it comes as such a painful experience that it hurts, and hurts deeply."

Agricultural Bloc

2. "The agricultural bloc has proved a serious stumbling block to interests which have heretofore had a less obstructed path to the gaining of their own ends. Further, the bloc has been affixed to the end of a big stick and wielded with vigorous arm so as to render a few sledge hammer blows to selfish measures in genuine Roosevelt style. This is being seriously objected to. It is claimed the like never occurred before and it must be stopped. As a matter of fact the farmers are only doing and accomplishing what other interests have accomplished from time immemorial. The other interests have, however, been somewhat smoother in their methods and their work has not been so outstanding as that of one class. ... The work laid out for the bloc has not been entirely accomplished. We hope the farmers will continue to stand for their rights." (California Cultivator, Jan. 28.)

Agricultural Financing

Northwest Farmstead for February 1 says in an editorial outlining the benefits of the War Finance Corporation in Minnesota and North and South Dakota: "Picture, if you can, what would have been the condition had not agriculture been so supported. Think of the thousands of chattel mortgage foreclosures and forced sales through every farming community, each one having its effect directly on banks, stores and every line of business, and together producing a condition that would have meant bankruptcies, lower prices and every sort of farm produce, and widespread ruin."

Business Situation

"Is Forced Liquidation Ended?" is the title of an article by W. H. Steiner, Ph. D., asst. director, division of analysis and research, Federal Reserve Board, New York. In this the author says: "What has the year 1922 in store? Will liquidation continue as in the past? In answering these questions, the change in the trend of business should first be cited. Instead of continuing on the downward grade, business lifted its head during the last half of 1921 in spite of a slight industrial recession at the close of the year. This provides a basic foundation whose importance should not be minimized. Its influence with respect to the present problem is evident in several ways. Prices have tended to become rather stabilized. Since April the index number of wholesale prices cited above has fluctuated within a range of only four points. Increases in prices have been evident in various basic commodities during the autumn, and have been paralleled by increase in output in various lines. ... These improvements have made the situation of producers and distributors easier, and have aided liquidation. ... In short, the period of great strain has been met and passed. Radical readjustment such as called for in 1920-21 has been succeeded by a period of relative stability. ... The process of liquidation is now working more smoothly, and on a more settled basis. It is proceeding in an orderly manner to liquidation."

Crop Insurance

The Economic World for January 28 says in an article by Arthur R. Marsh on Government crop insurance: "Among the bewilderingly numerous projects for the assistance of the American farmer in his present time of trouble, which were proposed at the National Agricultural Conference, ... was one conceived and propounded by the well-known publicist, Theodore M. Price, for a vast system of Government crop insurance. ... A large number of minds first and last are drawn

to the doctrine that insurance, being theoretically a form of social cooperation, ought to be removed from the domain of private enterprise and, above all, of private profit, and administered by the community itself through its supposedly disinterested and unselfish executive authority, the Government. Since the war this manner of thinking about insurance has become much more common than it formerly was, because of the alleged great success with which our own Government, as well as other governments of many other countries, conducted various kinds of insurance."

Land

"Now and then the question comes up, 'Do we need more land?' Would the welfare of the Nation be advanced if the millions of cut-over, arid, and swamp lands were reclaimed and set to work producing food? It would not. The bringing under cultivation of a few hundred additional acres of land here and there cuts little figure in the total production figures but the adoption of a large land settlement policy by a number of States or the Federal Government would have a disastrous influence upon crop prices. We have learned that it takes only a small surplus of any one crop to wipe out the profit on that and kindred crops as well, and the wisest policy is the one which will prevent that surplus being produced so far as possible. ... We are approaching if we have not already reached the point of saturation. We need no more farms just now. ... We should vigorously oppose as a national and patriotic duty any scheme, whether private or public, to add in any large measure to our present productive acres and our total crop production." (Mich. Business Farmer, Jan. 28)

Seed Legislation

The Wisconsin Farmer for January 26 says:"Wisconsin has had a number of experiences with a minority class of seedsmen who have tried to get rid of screenings and low-grade grass seed by dumping it off on jobbers in other States where little or no attention is paid to the protection of farmers through strong seed laws. ... Some States do not have such laws and they become the dumping grounds for the worthless and adulterated seeds produced and handled by unscrupulous dealers in all the other States. A national law would control fraudulent practices now being indulged in. It would provide for the certification and registration of agricultural seeds and establish standards for imported seeds. The farmers' organizations may well get behind such a movement and urge upon Congress prompt and definite action."

Wheat Prices

"The propaganda of the northwestern and western New York millers to continue or extend the present drawback provisions of the tariff act, thus enabling them on the exportation of any flour equal in weight to the weight of imported wheat to sell mill feeds in this country duty free, was exposed in an I. A. A. News Letter of last summer. ... Late in December representatives of the millers' organizations appeared in a hearing before the Senate Finance Committee. ... and advocated the same measures they were urging last spring, the essential parts of which they secured in the Fordney tariff bill as passed by the House of Representatives. Illinois farmers should protest ... against the legislation proposed by the millers. It would reduce the price of United States wheat, due either to a considerable substitution of Canadian wheat flour for consumption in this country or to a decrease in the grinding of United States Wheat for foreign trade. ... " (I.A.A. News Letter, Jan. 26.)

Section 3.

Department of Agriculture

"Better Crop Reports Needed" is the title of an editorial in The Progressive Farmer for January 28, which says in part: "The commercial and newspaper estimates of production and consumption always have been and always will be injurious to the producers, for they are certain to be prejudiced and often erroneous. But the official estimates should not be discontinued because of an occasional error. The system should be improved and made more efficient, not destroyed. We need official, unprejudiced reports made as accurate as possible, but we could very well do without the prejudice and doctored reports of commercial organizations."

Section 4.

Farm Products

Feb. 3: Wheat prices reached new high since Oct. 3, Chicago May wheat closing at $1.25 3/4, Chicago May corn 55 1/4¢. Foreign markets higher. Cash markets strong. Corn advanced with wheat. Closing prices in Chicago cash market: No. 2 red winter wheat $1.32; No. 2 hard winter wheat $1.23; No. 2 mixed corn 50¢; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in Central Iowa about 37 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.21 3/4.

Chicago hog prices strong, bulk of sales $8.85 to $9.35. Beef steers mostly steady to strong, medium and good beef steers $7 to $9.15. Butcher cows and heifers steady to strong at $4 to $7.75. Veal calves unevenly steady to 25¢ lower, light and medium weight veal calves $7.50 to $11.

Chicago and Pittsburgh potato markets slightly weaker, other markets steady. New York Sacked Round Whites down 5¢ f.o.b. at $1.98 per 100 lbs. Maine Green Mountains in bulk weaker f.o.b. at $1.56. New York Baldwin apples A 2 1/2, wire orders, $7 to $7.25 per bbl. New York Danish type cabbage weaker f.o.b. Western New York points at $33 per ton bulk.

Hay markets slightly firmer because of light receipts. No material improvement in demand except for dairy alfalfa at Kansas City which reached record price of season at $29 per ton. Feed markets firm on good jobbing demand. Country demand dull.

Butter markets barely steady to weak, with price tendency downward. Cheese markets steady with business fairly active. Distributing markets quiet.

Spot cotton up 6 points closing at 16.13¢ per lb. New York March futures up 7 points at 16.92¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 3: Average closing price 20 industrials 82.93, as compared with 74.74 corresponding day 1921; average closing price 20 railroad stocks 75.88, as compared with 74.56. (Wall St. Jour., Feb. 4.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. IV, no. 30. Section 1. February 6, 1922.

Farm Prices Rising

After a week of rising prices of agricultural products, Julius H. Barnes, former wheat director, and J. Ogden Armour, meat packer, February 4, issued statements asserting that the farmer is coming into his own again, Calling attention to the fact that wheat has advanced almost 12 cents and corn over 2 cents within a week, Mr. Barnes said: "It is time to quit telling the farmer that he is bankrupt. It is time to quit telling industry that there is no farm market. All farm selling prices are on the up-grade," he said. "All that the farmer buys has cheapened. Labor is plentiful and cheaper. Farm credit difficulties have ceased."

"We are getting over our sickness," Mr. Armour said. "It is time to forget what is behind us and look ahead. I am optimistic on the business situation, and believe it is no time to sell stocks or anything. We are getting out of the low-priced period and all the bad stuff is behind us. Business is better all around. Live stock is higher and we must look ahead." In addition to advances in prices of farm products, the week was featured by big reductions in some farm implements. (Assoc. Press dispatch from Chicago, Feb. 5.)

Wheat Advance

"Rise in Wheat Factor of Most Significance" is the title of an editorial in to-day's Philadelphia Public Ledger, which says: "The most important development is the advance in wheat. That is worth more to our farmers than all the conferences they can hold and all the resolutions or even laws that Washington can pass. There has been, indeed, too prevalent a tendency not only among farmers, but on all sides to seek prosperity through resolutions and legislation, rather than through such matter-of-fact things as keen thinking, hard work, intelligent economy and painstaking efforts to satisfy and keep with customers and co-workers. ... The gloomiest individuals in America to-day are among our leading bankers. They are dispensing more pessimism than credit. They are discouraging rather than encouraging enterprise. And yet the country seems to be contriving to stagger along somehow. As I analyze conditions, the prospects are not half so black as financial Jonahs are picturing it. It is difficult to reconcile doleful predictions concerning Europe, for example, with last week's impressive advance in sterling exchange to the highest level in two and a half years. It was accompanied by movements in other important exchanges that do not spell imminent disaster abroad. ... It is significant that a scarcity of wool is being revealed in manufacturers' hands, and it is entirely probable there will be interesting developments when this scarcity becomes felt. Unemployment figures are distinctly more satisfactory than any one had dared to calculate they would be at the opening of February. Such staples as sugar and leather are recovering and leading shoe manufacturers are doing quite a big business."

Agricultural Conference Comment

"Farming at Washington" is the title of an editorial in New England Homestead, for February 4, which says: " 'They' did not succeed in farming the farmers, and 'they' denied any such purpose. Such was the outstanding result of the National Agricultural Conference at Washington. Its result will be good. It secured widespread publicity for present conditions in agriculture and for the various remedies proposed. The dependence of all other interests upon agriculture, and the inter-relations of agriculture to other interests, are better understood by the public as well as by farmers as a result of threshing over all these matters for five days in joint conference. ... The most regrettable feature of last week's farming conference at Washington was the impression made upon the general public by statements of the present agricultural crisis at the West and South. While in some cases exaggerated, those exhibits are not in the nature of 'calamity howling.' The object was to survey existing conditions with a view to working out remedies. The conference recognized that the tide had turned, that the worst was over, that agriculture is again on the upgrade. ... As a whole, the conference was a genuine success, in the judgment of the men and women who gave their time, experience and talents to this patriotic service, and paid their own expenses. It did much to strengthen the Department of Agriculture. In statesmanship and constructive policies, it compares favorably with any economic gathering ever held."

The National Stockman and Farmer for February 4 says in an editorial: "The value of the conference lies more in the recognition it brought to agriculture as a prime factor in our Nation's business than in its recommendations."

Section 2.

Agricultural Group Consciousness

The maturing of group consciousness in the agricultural population of the United States was advocated by Dr. Felix Adler, retiring president of the National Child Labor Committee, in New York, February 4. Dr. Adler said: "Education is, of course, the main object of this committee's work. It seems to me that we must educate the agricultural population to realize themselves as an agricultural group. I am not discussing the 'bloc' in Congress, but I believe that the farm child should be taught the importance of his own group and its interdependence with other groups in the national life. It is in this way that the democracy of the future may be saved from the danger of passionate, impulsive movements of the masses, for we must distinguish between class consciousness, which breeds strife, and group consciousness through which I foresee the future of America and the part that this Child Labor Committee must play in it." (N. Y. Times, Feb. 5.)

Cooperation

The American Agriculturist for February 4 says in an editorial "About 75 per cent of cooperative organization is a failure, which is nothing against cooperation but rather in its favor in that it shows the special place of cooperative agricultural organizations and makes possible an understanding of this very important growing phase of our agricultural progress. But why have three-fourths of the cooperative organizations fail in their purpose in this country? The answer is not simple by any means, but apparently the chief cause is that the organization work has not been handled right. Instead of going at the problem with a view to accomplishing results, the promoters of cooperative enterprises have dwelt too lengthily upon the details of organizing and organization. The purpose of cooperation must ever be kept in mind and the detail of the physical progress of organization must ever be subordinate to the results which are to be accomplished."

Cooperative Fruit Marketing in Britain

"The farming and sale of fruit in England has for some time occupied the attention of the Board of Agriculture which has sought for better organization among the fruit growers and sure, reliable markets, whereby they could get the best prices for their goods with the largest margin of profit. The thin end of the wedge was inserted in the national movement for organized fruit farming, packing, and marketing when the Agricultural Organization Society launched the cooperative fruit markets. And now greater strides have been made, thanks to the cooperation of the Food Production Department, which, not being content to form what it calls County Marketing Societies, has undertaken (subject to certain conditions and limitations) to make good any loss on the society's first year's working up to $1,250....The societies are run on sound business lines which make them commercially successful and the growers are encouraged to find as much capital as possible." (Am. Fruit Grower Magazine, Feb. 1922.)

Corn Acreage

In an editorial on "The Corn Campaign" The National Stockman and Farmer (Pennsylvania edition) for February 4 says: "The organized farmers of Iowa and Illinois are on record as favoring concerted and systematic reduction of the acreage of corn and the substitution of legumes for it. It may be that legumes can be substituted for corn with benefit to farm and farmer. It may be that fewer acres of corn will prove to be advantageous to the farmers of these great corn states. Nobody can tell about that except a real prophet and he is no longer among us. There is little probability of danger to the country from such campaigns, though they may disturb business more or less wherever they are made. The rest of the country is going to plant corn, probably more than it would have planted had there been no agitation of this matter. The real danger is to those organizations which advocate and apply on artificial reduction of crop area, for future events may show that such a policy is costly to those who adopt it. Widespread drouth may do this, or an extraordinary demand for meats at home or abroad, or the failure of other domestic or foreign crops. Moreover those two great agricultural states may realize some day that their agriculture has been built up on what they did raise, not on what they didn't."

Cotton

In an editorial on "Cotton Requirements," Wall Street Journal for February 4 says: "Cotton prices both in New York and Liverpool made a big advance on the first day of February. Whether this was because of covering of short contracts or from trade buying is not clear. But there is something in the statistical situation that promises a future covering of contracts because of the supply situation. How much American cotton will be used in the crop year ending July 31, 1922, only a prophet can tell....There is nothing to indicate that economic conditions in 1923 will be worse than now. If they are not, a world whose cotton consumption is running near the irreducible minimum will want to use as much, if not more, in the coming year. All hopes must be pinned upon the coming crop, because there will be no surplus of old cotton. Leading men from the two cotton belts have expressed to the Wall Street Journal different views as to the probable acreage, but agree in a view of a crop below normal....The aggregate production is likely to be below consumption."

Eggs from China

Nearly 100,000 dozen eggs were received in New York last week from China and about double that number are due this week, according to a detailed statement by the director of the New York office of the State Department of Farms and Markets, in The New York Times, February 5.

Farmer on Reserve Board

"Agriculture Recognized on Reserve Board" is the title of an editorial in The Nebraska Farmer for February 4, which says: "Midwest farmers are severely critical of the methods of the Federal Reserve Board in the handling of agricultural credits during the deflation period. There is a general feeling that the progressive discount rate and the curtailment of credit should have been instituted a year or more earlier, which would have prevented the peak of high prices and the inflation of 1919 and 1920 and thus reduced immensely the height from which prices were precipitated when deflation came. Because of all these injustices farmers of the middle west are in thorough sympathy, we believe, with the move to give agriculture just representation on the Federal Reserve Board and if an able farmer representative is appointed he will at least be able to make loud protests over methods which are unfair to agriculture, and to learn what interests, if any, have controlling latch strings to open the doors of credit to them and keep it closed to farmers. A group of men unfamiliar with agricultural practices and problems, or not in sympathy with them, cannot appreciate how vitally were the farmers hit by the policies pursued in the cornbelt by our present reserve officials in their display of arbitrary powers in bringing about deflation. A farmer representative on the Federal Reserve Board will help to keep the other members with their ears to the soil. ..."

Tariff Legislation

"High Tariff Fallacies" is the title of an editorial in The Nebraska Farmer for February 4, which says in part: "It is a mistake to regard a high tariff as an absolute protection to the cornbelt farmer. Instead of protecting him, it is often the means of giving other industries, through a similar tariff, an opportunity to maintain higher prices for their goods at his expense. Furthermore, it is difficult for a creditor nation, as the United States, to maintain a high tariff when our purchase of goods from other countries is the only means for them to pay their debts to us. In reality a high tariff limits the market for the exportable surplus of farmers' products by restricting trade with foreign countries, whose buying power is limited because of our high price levels. In countries which grow a surplus of agricultural commodities, as the United States, the domestic price to producers of these commodities, is largely based on the price that can be obtained for the exportable surplus Farmers cannot, without monopolistic power, maintain a high price for their products at home and sell the surplus for less to other countries, as some manufacturers have been charged with doing. ... We believe that the high tariff features of the American Valuation plan makes it strongly objectionable in its tendency to cripple foreign trade and in the false hope it holds out to agriculture. Farmers ... should not, by supporting a plan which gives one industry protection at the expense of another, play into the hands of those industries which are benefited most by high tariffs."

Section 3.

Department of Agriculture

The Washington Herald to-day says in an editorial on "Opening New Lands": "We are constantly being reminded of the diverse activities of the Department of Agriculture, as broad a governmental division as those fertile grain lands which are one of its especial wards. This remarkable plurality of duties and concerns is well illustrated by the announcement from the office of Secretary Wallace that $15,000,000 has been apportioned among twenty-seven States, Alaska and Porto Rico for the construction of national forest roads and trails. This move is, at the same time, just another argument for the retention of the forests under this department. The relatively munificent sum set aside is for the double purpose of giving impetus to the opening up of vast timber tracts and making accessible areas of scenic beauty unsurpassed in the world, but requiring, not so many years ago, the hardihood of explorers and Alpinists to reach. ... The institution and pursuit of such policies as these will go a long way toward preserving what timber we have and instilling into the minds of perhaps careless citizens the absolute necessity for protection of timber lands. Two decades ago we were in danger of facing most disastrous deforestation before half a century had gone. To-day, we have awakened to the indispensability of great timber preserves."

Section 3.
MARKET QUOTATIONS

Farm Products

Grain prices trended upward during the week ended Feb. 4 with sentiment bullish over world wheat situation and higher foreign markets. Closing prices in Chicago cash market: No. 2 red winter wheat $1.32; No. 2 hard winter wheat $1.23; No. 2 mixed corn 51¢; No. 2 yellow corn 51¢; No. 3 white oats 36¢. Average farm prices at close: No. 2 mixed corn in Central Iowa about 38¢; No. 1 dark northern wheat in Central North Dakota $1.23 1/4; No. 2 hard winter wheat in Central Kansas $1.05. For the week Chicago May wheat up 6 1/4¢ closing at $1.25 1/8; Chicago May corn up 1 3/4¢ at 56 1/8¢.

Potato markets showed a weaker tendency during the week. New York sacked Round Whites down 10¢ f.o.b. Western New York points at $1.95 to $1.98 per 100 lbs. Celery markets slow and dull with prices lower. Cabbage markets irregular with slightly stronger tone in some cities. Apples held firm.

Butter markets barely steady to weak with price tendency downward. Cheese markets steady; prices slightly higher in Wisconsin.

Timothy hay market slightly firmer because of light receipts. Prairie market weak. Feed markets firm on good jobbing demand; country demand dull.

Chicago hog prices up 25¢ to 50¢ per 100 lbs. light and medium weights advancing most. Beef steers mostly 25¢ to 40¢ higher; butcher cows and heifers up 25¢ to 35¢ at $4 to $7.75. Best fat lambs and yearlings up 10¢ to 25¢, other grades about steady; fat lambs $12 to $14.10. - Spot cotton down 2 points at 16.02¢ per lb. New York March futures up 6 points at 16.71¢ (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 4: Average closing price 20 industrials 83.61, as compared with 75.05 corresponding day 1921; average closing price 20 railroad stocks 76.23, as compared with 74.90. (Wall St. Jour., Feb. 6.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 31. Section 1. February 7,1922.

Cooperative Marketing Bill

Consideration of the cooperative marketing bill was continued in the Senate, February 6. Senator Walsh, of Montana, addressing the Senate in support of the committee amendment, which provides that nothing in the proposed law shall authorize the creation of or an attempt to create a monopoly or exempt any association from any proceeding under the act creating the Federal Trade Commission.

Senator Brandegee attacked proposed provisions of the cooperative marketing bill exempting farmer organizations from operation of the Sherman anti-trust law. Mr. Brandegee declared that the country need not expect relief from high prices through passage of the bill, "if the farmers who are the beneficiaries choose to inflict high prices." (Press, Feb. 7.)

Tariff Legislation

Majority members of the Senate Finance Committee, in framing tariff rates on farm products, are understood to have approved the recommendations of the Senate agricultural tariff bloc in the case of approximately two-thirds of the items thus far considered. These rates generally are slightly higher than those in the Fordney bill. Some of the items covered, notably short staple cotton, are on the free list in the House bill. (Press, Feb. 7.)

Farm Risk Bureau

Representative King, February 6, introduced a bill calling for establishment of a farm risk insurance bureau, which would insure growing crops of non-perishable products against loss or damage resulting from adverse weather conditions. (Press, Feb. 7.)

Farmers and Soldier Bonus

The Ways and Means Committee, considering soldier bonus legislation, was told, February 6, by B. C, Marsh, director of the Farmers' National Council, that farmers of the country will not stand for any more taxes while "profiteers go unscathed, as they did during the war." Mr. Marsh urged restoration of the excess profits taxes, opposing a sales tax or any other levy on consumption. (Press, Feb. 7.)

Reclassifying Bill to Senate

From the Senate Civil Service Committee, February 6, Senator Sterling reported the Senate substitute for the Lehlbach reclassification bill recently passed by the House. A number of important amendments were written into the bill, and Senator Sterling announced that to-day he would file a comprehensive report which would fully explain the measure to the Senate. As reported to the Senate, the bill

provides for increased pay above that fixed by the House for the scientific and professional employes of the Government. Instead of the Bureau of the Budget being designated as the classifying agency as in the House bill, the Civil Service Commission is placed in charge of that duty but is required to consult with the heads of departments in that respect. An important provision in the bill would direct the Bureau of the Budget to study the whole subject of Government employment with reference to the number and qualifications required to enable the several departments to perform their functions under the law. The budget bureau also is directed to investigate the question with reference to the cost of living and determine what adjustments, if any, may be found to be advisable. This information must be transmitted to Congress with recommendations for any needed changes. (Press, Feb. 7.)

Agricultural Conference Comment

The Price Current-Grain Reporter for February 1 says in a review of the conference: "That any sound-minded or moderately well-read business man could take pleasure in the amazing procedure of the 300 hand-picked farmers, farmers' leaders, representatives of business men's and producers' organizations, economists, college professors and dilettanti assembled at Washington last week as the National Agricultural Conference, is not conceivable. That the conference was not a legislative body might well be a matter of public congratulation were it not that the American Congress is so little different as a whole that it would be but going from the fat into the fire to substitute either one for the other. When Frank Vanderlip called Americans a Nation of 'economic illiterates' he expressed himself with reserve apparently studied. The President's opening address has been commended. Compared with what followed, it was indeed a pearl of great price, more or less out of place, however, and its good points quite unappreciated, though it was formally approved and lauded as a whole. ... The President's indorsement of the doctrine of 'cooperative marketing' practically insures the enactment of a law legalizing some farmers' efforts to monopolize the marketing of the grain of the country through pools, with the purpose of controlling prices. This will be the immediate result of the faux pas of the President in calling the Conference, which has given the Bloc new power through conference indorsement."

Continuing its complaint in an editorial in the same issue, under the title, "A Studied Rebuff," The Price Current Grain Reporter for February 1 says: "The attitude of the Department of Agriculture towards the competitive grain trade is well understood and behavior by it more or less inexplicable at times is not surprising. Since the Houston-Vrooman era of hobby-mindedness in the department, it has been persistently slamming the regular grain dealers and extending its aid and counsel exclusively to the so-called cooperatives only, though of the latter there are very few, while of farmer stock companies, legitimate business concerns, there are many, whose relations to the regular trade are in the main entirely amicable, as they should be, being fair competitors. The climax of the studied discrediting by the department of the trade was reached, however, when it was explained the refusal to issue an invitation to President Clement of the National Association to the Agricultural Conference last week on the ground, in substance, that Mr. Clement did not represent an organization of sufficient commercial importance in relation to agriculture to warrant such invitation. ..."

Wireless to Aid French Farmers

A Paris dispatch states that, commencing February 6, wireless weather forecasts will be sent from the Eiffel Tower to every part of the country for the benefit of the farmers. (Press, Feb. 6.)

Section 2.

Corn Acreage

In an editorial on "Corn Acreage," The Nebraska Farm Journal for February 1 says in part: " ... Eastern newspapers, and some closer home, are giving considerable space these days to the question of farmers cutting down food production. ... They are taking too much of an alarmist view of the situation, which is entirely unwarranted. Talk of 'farmers' strikes' and similar calamitous movements has no foundation whatever in the present tendency of farmers to readjust their farm operations to meet market demands. What farmers hope to do is what every manufacturer does when he finds a surplus of his product piling up. One frequently hears it said or sees in print that it is dangerous to curtail farm production of corn, for example, because of the uncertainty surrounding the growing of his crop. The shortage of the cotton crop of 1921 is pointed to, and we are warned that the same thing may happen at any time to corn. Yes, it may happen, but is not likely to, considering the record of corn production in Nebraska and nearby States over a long period of years."

Crop Insurance

Referring to Theo. H. Price's suggestion regarding Government crop insurance, an editorial in Price Current-Grain Reporter for February 1 says: "There is no difficulty now in the farmers' getting crop insurance. Private companies have been writing it for many years and those farmers who have paid the premiums have been reimbursed for such losses as they insured against. Such insurance is, therefore, no new or untried thing, either by farmers or by insurance men. But Mr. Price affirms that the private companies who have worked it out by experience don't know their business; therefore the Government, which never does anything very well, ought to make such insurance a success."

Farmers' Profits

"The Backward Farmer" is the title of an editorial in Chicago Journal of Commerce for February 4, which says: "It is remarkable that the basic industry of the Nation has been unable, or seemingly so, to protect itself from market adversities. True, there are other industries and businesses which have had to face hard conditions; but they seem able to look after themselves to some extent. Only agriculture figures as helpless and requiring aid from legislation and Executive Government. Labor is stiff yet for war prices; mercantile business is taking its losses and getting on a solid basis; industrial concerns smile and hope, miners hold out for big wages; and other enterprises face the music with constructive efforts to better conditions. Farmers alone appear to be stuck in a hard row to hoe. Just why, the other fellow finds it hard to understand. In 1918, 1919 and 1920 every economist in the country was calling attention to the prodigiously increased purchasing power of the farmers. Their profits were very large all through the period when food prices appalled everybody but the farmer. ... It is beyond belief that he squandered his profits. Other business has been compelled to dig into surplus earnings to meet late losses. Has the farmer done so, or does he regard his surplus as sacred, something not to be touched though the heavens fall? Is that one of the reasons why he must be helped at the expense of everybody else?"

LaFollette and the Railroads

"LaFollette's Man of Straw" is the title of an editorial in The Wall Street Journal for February 6, which says: "Twice within two months Senator LaFollette has asserted that the railways and the farmers were in an evil conspiracy. This plot was to prevent any revision of the 'vicious guarantee clauses of the Transportation Act, and to deprive the state commissions of authority over intra-state transportation.' This, he said, was formally approved and adopted by two classes of conspirators. Coming from Senator LaFollette alone, this would be of no consequence. But unfortunately agitators have never ceased from sowing misrepresentation of facts of record in the minds of farmers. ... At the agricultural conference there was a report by an important committee recommending, among other things, the repeal of the 'guarantee clauses.' Possibly Senator LaFollette might look upon this as a deep laid move of the wicked farmers to disarm suspicion. But to the remaining 109,999,-999 people of our estimated 110,000,000 population it would look like a contradiction of his statement. As a matter of fact, the majority of farmers sincerely believe that the Government has guaranteed the roads a certain income payable out of the Treasury. This would be a real grievance but for Section 242 of the Transportation Act. ... Furthermore this same provision expires on the first day of March, 1922, without regard to whether it is 'vicious' or not."

Packer Buying

In an editorial on "Country Buying," The National Stockman and Farmer (Penna. Edition) for February 4 says: "It is a question whether depriving packers of their interests in stockyards will have precisely the effect expected by those who advocated that measure. The present tendency is for the packers to acquire small local yards, not under Federal control, to buy stock in the country and ship from their yards to their plants. Such a plan will take packer competition out of the central markets to a large extent, while country buying will be done on the basis of central market prices. Whether the reduction of supplies at big markets will be in accord with the reduction of buying there remains to be seen. The proposition should be about as broad as it is long so far as supply and demand are concerned, but will it be? Commission men, who will be most hurt by the new deal, think that packers will buy cheaper under that plan than if all the stock went to central markets and packer buyers were active competitors in those markets."

Wheat

"Wheat is working into a dangerous statistical position. By the time the growing season opens the two forces of supply and demand may be so delicately balanced that the weight of a Hessian fly would disturb them. In such circumstances our own market will be unusually vulnerable to crop damage reports. ... There will be practically no world carryover of wheat this year, and Europe, which in nine months will have taken near 250,000,000 bushels from us, will ask for that much or more next season. We must raise at least 850,000,-000 bushels in order to furnish that amount, and winter wheat makes up about two-thirds of our entire production. The situation, therefore, will be delicate until the harvest is assured." (The Wall St. Jour., Feb. 7.)

Section 3.

Department of Agriculture

New York Produce Review and American Creamery for February 1 says: "The Review has been informed that the Bureau of Markets, U.S. Department of Agriculture, is now planning to prepare and promptly disseminate weekly reports of production of creamery butter in the important butter producing States along lines similar to those followed for some years by the American Association of Creamery Butter Manufacturers. ... We believe the reported decision of the bureau to issue weekly reports similar to those compiled by the American Association is commendable. The American Association's weekly reports have been the only carefully compiled production reports available to the trade to give a clue to how production was progressing. They have been useful, but since they included only the larger centralizers and gave no information as to local creamery production in the important territory of which Minnesota is the center, they told but a part of the story. The trade will await with interest the new reports. If carefully prepared they would certainly pay their way."

Section 4.
MARKET QUOTATIONS.

Farm Products

Feb. 6: Wheat prices reached a new high since Sept. 26, Chicago May wheat closing at $1.28 3/8, Chicago May corn higher at 58 1/2¢. Visible supply wheat 42,280,000 bushels, a decrease of 1,591,000 bushels for week. Visible supply corn 30,778,000 bushels, an increase of 4,049,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat $1.33; No. 2 hard winter wheat $1.25; No. 2 mixed corn 54¢; No. 2 yellow corn 54¢; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in Central Iowa about 40¢; No. 1 dark northern wheat in Central North Dakota $1.22 1/4; No. 2 hard winter wheat in Central Kansas $1.08.

Chicago hog prices higher, bulk of sales $9 to $9.50. Beef steers mostly 25¢ lower, butcher cows and heifers slow and weak at $4 to $7.75. Medium and good beef steers $6.75 to $9. Fat sheep and lambs steady, fat lambs $12 to $14.10.

Potato markets weaker on sacked stock; steady for bulk stock. New York sacked Round Whites $1.95 to $1.98 per 100 lbs. Maine Green Mountains in bulk steady at $1.56. New York Baldwin apples A 2 1/2 f.o.b. Western New York points, wire orders $7 to $7.25 per bbl; sales f.o.b. cash track $6.75 to $7. New York Danish type cabbage dull f.o.b. at $32 to $33 per ton bulk.

Most hay markets firm on ligher receipts. Feed demand quiet. Resellers now offering wheatfeeds 50¢ to $1 under mill prices. Cottonseed meal easier at 50¢ reduction. Linseed meal firm.

Butter markets steady. Domestic production seems to have been reduced somewhat account severe weather. Cheese markets a little steadier.

Spot cotton down 6 points at 15.96¢ per lb. New York March futures down 6 points at 16.65¢. (Prepared by Bur. of Mkts. & Crop. Est.)

Industrials and Railroads

Feb. 6: Average closing price 20 industrials 83.70, as compared with 74.80 corresponding day 1921; average closing price 20 railroad stocks 76.70, as compared with 74.58. (Wall St. Jour., Feb.7)

UNITED STATES DEPARTMENT OF AGRICULTURE

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Vol. IV, no. 32. Section 1. February 8,1922.

Legislative Program

A legislative program, contemplating ratification of the treaties growing out of the Arms Conference and passage of the tariff, soldier bonus, farm credit and merchant marine bills, with adjournment of Congress about June 1, was said to have been agreed upon at a White House conference February 7 with President Harding, attended by members of the Senate and House Steering Committees. The farm credit legislation contemplated, it was explained, will be drawn with a view to carrying out the recommendations of the Congressional Joint Commission of Agricultural Inquiry. In its report this commission emphasized the necessity for adapting existing bank facilities to fill the gap so as to extend long time credits to farmers. The bill reclassifying Federal employees, which already has passed the House, is included in the legislative program agreed upon, but it was stated that action on the measure for the reorganization of Federal Government departments probably would be deferred until the next session. (Assoc. Press, Feb. 8.)

Deficiency Bill

Preparation of a Deficiency Appropriation Bill will be begun shortly by a subcommittee of the House Appropriations Committee, Chairman Madden announced February 7. The measure, he said, will be ready for the House in a few weeks, and passage will be expedited to relieve urgent deficiencies which have arisen in various Government departments. Estimates totaling $180,704,281 have been transmitted by President Harding for the consideration of the subcommittee which will draft the bill. Accompanying Mr. Harding's letter was one from Charles G. Dawes, Budget Director, giving in detail the needs of seventeen departments and bureaus which had requested additional funds. The estimate quoted for the Department of Agriculture is $214,375. (Press, Feb. 8.)

Marketing Bill

An effort by Senator Kellogg to obtain an agreement for limitation of debate on the cooperative marketing bill after 2 o'clock to-day failed February 7, through objection of Senator Brandegee, who said that most intricate constitutional questions were involved. Chairman Norris, of the Committee on Agriculture, announced that he expected to speak to-day on the measure. (Press, Feb. 8.)

Aid for Austria Proposed by Lodge

A resolution designed to "save Austria from economic collapse" by extending for 25 years the payment of Austria's debt to the United States Grain Corporation, contingent upon other creditor nations making a like extension, was introduced in the Senate, February 7, by Senator Lodge. (Press, Feb. 8.)

Agricultural Conference Comment

"What Farmers Can Really Do" is the title of an editorial in The New Republic for February 8, which says in part: "One thing is agreed on: American agriculture is sick. Its pulse is bad, its blood count low, its mood is dispirited and dejected. But what the malady really is -- alas, there the doctors assmbled in consultation at Washington were in violent disagreement. One maintained that the trouble began with the banks and the enforced deflation of agricultural prices. Another insisted that the railways were to blame, a third, the middlemen. The war and the peace were two other obvious sources of infection. A similar diversity of opinion prevailed as to the cure. Let the Government fix the prices of staples. Let the Government build warehouses and hold the staples until the world came to our terms, in the meantime placing credits at the disposal of those who deposit the staples. Let a drastic import duty be levied upon agricultural products. Let the railways be forced to cut rates, making up their deficit, if necessary, out of Government grants, and let the banks be forced to loosen up on loans to farmers. From this turmoil of the practitioners, we may wisely turn to the physiology of the industry. Everybody, we suppose, understands that agriculture in this country is still fundammetally an import industry. We can not consume all the wheat we raise, nor all the corn and animal products based on corn. Still less can we consume our entire production of tobacco and cotton. ... Whatever may be said by the learned doctors -- each bent on the sale of his proper nostrum -- a consideration of the physiology of agriculture points directly to its relation with the European demand. Now, everybody knows what is the matter with that demand. All Europe is hungry. But Europe can't buy, because the means of payment are not forthcoming. It is almost superfluous to point out that the farmers themselves can do something to remedy this condition. Through the agricultural bloc they are in a position, if they choose, to control the foreign policy of the nation. They could force the Harding administration to do what it would probably like to do, but, for lack of agricultural support does not dare to do -- use the power America has as a creditor nation to force an intelligent disposition of the German indemnity, which every competent financier in the world recognizes as the chief barrier to economic recovery. The agricultural bloc could force a policy that would set Europe on the road to recovery, and along with Europe, American agriculture. But that would require vision and courage. ..."

The Farmer for February 4 says: "The first national agricultural conference has been a great success for the following reasons: It has dignified the business of farming and pointed out the necessity for a progressive agriculture. It has pointed out a few things that can immediately be done for the benefit of agriculture. It has laid the groundwork for the formation of a great national agricultural policy which should place agriculture on a permanently prosperous basis. These far-reaching results overshadow in importance the slight temporary relief that can be given by any sort of legislation. A great lesson taught by the conference is that the greatest aid to agriculture must be given by the farmer himself working in harmony with other farmers, first along the line of complete rural organization based on mutual confidence, thence upward by the process of business cooperation along such lines as prove practical by experience. Such a program, backed by a national policy sympathetic to the needs of agriculture, offers the only real solution to farm progress."

The Commercial and Financial Chronicle for February 4 says: "We have been disposed to favor 'conferences,' in a general way, on the ground that they represent a voluntary get-together spirit. But even so, judging them by the same test, not all of them may be counted successes. The recent 'Conference' on Agriculture, held at Washington, because it was not wholly of farmers, promised, as events have turned out, more than it performed. It was not a harmonious meeting. A portion which derisively called itself 'the agricultural bloc of Secretary Wallace's

conference' split off from the main body and flocked alone. ... Two inferences, we think, are justified concerning this conference. First, there is an overwhelming appeal to legislation for relief. Second, the very multiplicity of recommendations proves the fact that agriculture does not stand alone, is an integral part of industry, and that all our activities as a people are inextricably interwoven. The 'program' here indicated would tax the acumen and labor of Congress for many years to come, if such process could be deemed effective. There are unmistakable evidences of selfishness, for special immunities and privileges are sought. The influence of 'labor' is plainly indicated in a refusal to ask for the direct appeal of the 8-hour law, though the farmer knows that he cannot suffer himself to be bound by it, since his own work is peculiarly seasonable and the influence of the law on the labor he employs is distinctly to his general disadvantage. And lastly many of the general recommendations concern great internal improvements which, though admittedly in his interest, are well known, are colossal undertakings, requiring years and billions to complete. ... It is for these reasons we perceive that a negative good will flow from this 'conference' in that as time passes agriculture will learn to know that conditions cannot be changed by hurried legislation and that true relief cannot come by the mere announcement of 'things to be done.' "

Section 2.

Agricultural Financing

During the week ending February 4, 1922, the War Finance Corporation approved a total of 331 advances, aggregating $9,587,000, for agricultural and live-stock purposes, in the West, Southwest and South. (W.F.C. press statement, Feb. 7.)

American Farm Bureau Federation

"President Howard of the Farm Bureau Federation must surely know that there is a widespread suspicion that the Federation has never wholly shaken off its early business associations or become honestly representative of the interests of all the farmers, poor as well as prosperous. It is suspected that the Federation is designed to split off the richer farmers from their poorer and less influential colleagues, and to constitute a rural privileged class which may be counted on to join the chambers of commerce and other business men's associations in fighting organized labor as well as any genuine farmers' movement. We do not assert that there is ground for this suspicion; we merely point to the fact that it exists, and to the further fact that Mr. Howard helps to deepen it when he speaks triumphantly of the 'farmers' demand that both capital and labor must share alike in the readjustments that have already hit agriculture.' The farmers are justified in demanding that agricultural prices should be brought down until they stand in a fair relation to agricultural prices. How the loss entailed shall be shared between labor and capital, whether equally or in any other proportion, is no direct concern of the farmers. For the farmers to mix up in the matter is to play into the hands of the industrial interests that are proclaiming the necessity of 'liquidating wages,' when there would be little necessity for liquidating wages if the interests would undertake energetically to do a real job of clearing out the waste for which their bad management is responsible." (The New Republic, Feb. 8.)

Corn Acreage

"Corn acreage reduction is being opposed in some quarters on the ground that decrease in production would be a crime against starving Europe. There seems to be a disposition on the part of some well-meaning sentimentalists to assert that the farmer ought to carry indefinitely the burden of supplying Europe with cheap food. 'Europe is hungry,' say these vicarious benefactors of the race. 'It is the farmer's sacred duty to feed her and our equally sacred duty to tell him about it.' And, having satisfied their consciences in this fashion, off they go to follow their own more interesting and profitable pursuits. The fact is, of course, that the farmers of the United States have been feeding Europe at a loss for the last two years. It is fair to ask whether in justice to themselves and their families they can keep on doing it. ... The fact that our cheap corn is going to Europe in a steady stream holds no real hope for the future of the export business. It will keep going in a steady stream so long as it is cheap. But the history of the export trade in corn shows that Europe makes large purchases only when corn is selling for far less than it costs the American farmer to produce it. The biggest European purchase of corn took place in the late nineties, when it was also ruinously cheap. Our exports now amount to only two-thirds of the high export mark then. Every effort should be made to carry our present surplus of corn to Europe, of course. But no one has any right to insist that our farmers impoverish themselves by continuing to produce a surplus that will sell for next to nothing. The corn farmer owes it to common humanity to help, as he has already helped, the victims of political mismanagement in Europe. He owes it to himself and his family to see that his efforts in this direction do not reduce himself and them to misery and want." (Wallaces' Farmer, Feb. 3.

Crop Insurance

Commenting upon Theodore H. Price's suggestion regarding Government crop insurance, an editorial in Wallaces' Farmer for February 3 says: "Insurance is really a practical form of socialism. It spreads risks over society as a whole instead to allowing them to burden the individual who may not be able to bear the accidont which occasionally strikes him. For instance, at the present time there are thousands of splendid hard-working young farmers who are practically bankrupt through no fault of their own. On the average, the best farmers win through in spite of weather and markets. Nevertheless, there are thousands of cases where really splendid men have lost out merely through the accident of weather and markets. They were figuring on an even break of 'heads and tails,' but instead'tails' came four times straight, and they were ruined. Mr. Price's suggestion is excellent. Perhaps the Department of Agriculture should not actually establish a crop insurance bureau, but it certainly should be at work on the fundamentals of crop insurance. How can the most good be accomplished by distributing over society as a whole the risks of weather and the market?"

Farm Loans in Iowa

The insurance companies of Iowa are carrying one-fifth of the farm mortgagesof the State, according to A. C. Savage, Commissioner of Insurance. Iowa companies now have $154,669,900 invested in mortgages, of which $100,000,000, or nearly two-thirds, is loaned on Iowa farms. Figures on farm mortgages in the State indicate the total indebtedness is around $489,000,000.(Jour.of Commerce,Feb.7.)

Genoa Economic Conference

According to the Westminster Gazette, the British Government has received a note from the French Government making strong representations that the Genoa economic conference should be postponed three months. (London dispatch to N.Y. Times, Feb. 8.)

Grain Storage in Canada

"An echo of the tremendous Canadian crop of 1921 which, diverted from the usual channels which took it across the border, rushed to Canadian Atlantic and Pacific ports taxing their capacities to the limit, is being heard in the demand for increased elevator accommodation. ... The consistent annual increases in the volume of Canada's grain crop has rendered imperative a corresponding yearly increase in elevator storage capacity and each year sees new elevators dotting the grain growing provinces. At the last time statistics were taken, Canada had 3,775 elevators with an aggregate capacity of 214,279,964 bushels. ... The Harbor Commissioners at Montreal are working on plans for a grain elevator of 10,000,000 bushels capacity, which will be the most capacious in the world, outholding, by half a million bushels, that elevator at Port Arthur which at present holds the honor." (N.Y. Commercial, Feb. 4.)

Loan to Farmers

A loan to the farmers of $100,000,000 and revival of the United States Grain Corporation were urged upon the Senate Committee on Agriculture, February 7, by B. C. Marsh, managing director of the Farmers' National Council. (Press, Feb. 8.)

Muscle Shoals

All papers connected with the offer of Henry Ford for the lease of Muscle Shoals project were referred, February 7, to the Senate Committee on Agriculture, which is understood to be strongly favorable to its acceptance by the Government. (Press, Feb. 8.)

Packers' Decree

Request of the California Cooperative Canneries Company for a modification of the Big Five packers' consent decree with reference to unrelated commodities must be made to the District of Columbia Supreme Court, Attorney General Daugherty said February 7, as it is not a matter for his department to decide. The proposal for modification of the decree was subject of extended hearings by the special interdepartmental committee that reported to the Attorney General and Secretaries Wallace and Hoover. (Assoc. Press, Feb. 8.)

Section 3.

Department of Agriculture

1. "If it is true that Congress failed to appropriate sufficient funds for statistical or crop estimate work, then Congress is that much to be blamed. However, the Department of Agriculture could ill afford to pass as authentic statistics figures that were handed to the field observers by the interested parties -- interested in making the world believe the crop was short, so as to advance the price. If any stock, cotton or grain exchange had put over a trick like that, and called it an error, whereby the producers had been robbed of hundreds of thousands of dollars, there would have gone up a complaint that would have been heard throughout the land. Somebody must furnish reliable statistics and estimates. It is to the advantage of all the people, hence the Government should do it. We shall never get anywhere in marketing until the production of the world is known with considerable accuracy."(Successful Farming,February,'22)

Department of Agriculture

2. "Patriotism in Congress" is the title of an editorial in New York Commercial for February 7, which says in part: "There are some statesmen in Congress - men with broad enough vision to put the welfare of their country ahead of their personal ambitions, although big enough to realize that this is the surest way to appeal to their electorate. Yet we have seen a majority of the House of Representatives willing to cut down an appropriation that would enable the field agents of the Department of Agriculture to properly check their crop estimates, but equally insistent on voting three times as much for free seeds, the only purpose of which is to advertise themselves to their constituents. ... President Harding and his Cabinet are working manfully to carry out the mandate of the people, but they have not had the support of Congress. ... "

Section 4.
MARKET QUOTATIONS.

Farm Products

Feb. 7: Chicago May wheat advanced 2¢ early but later reacted and closed at $1.28 5/8; Chicago May corn lower at 58¢. Cash market weaker; closing prices at Chicago: No. 2 red winter wheat $1.33; No. 2 hard winter wheat $1.23; No. 2 mixed corn 53¢; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in Central Iowa about 40¢; No. 1 dark northern wheat in Central North Dakota $1.25; No. 2 hard winter wheat in Central Kansas $1.10.

Chicago hog prices higher, bulk of sales $9.15 to $9.65. Beef steers, calves and bulls steady, medium and good beef steers $6.75 to $9. Butcher cows and heifers steady to strong at $4 to $7.75. Fat lambs up 15¢ to 25¢ at $12.25 to $14.50.

Chicago potato market up 5¢; New York weaker; other cities nearly steady. New York sacked Round Whites steady f.o.b. at $1.95 to $1.98 per 100 lbs. Maine Green Mountains in bulk, steady f.o.b. at $1.56. New York Baldwin apples A 2 1/2 firm f.o.b. at $7 to $7.25 per bbl. wire orders. Danish type cabbage weak f.o.b. Western New York shipping points at $30 to $32 per ton bulk. New Jersey Yellow sweet potatoes steady in New York City at $2 to $2.25.

Spot cotton down 3 points closing at 15.93¢ per lb. New York March futures down 10 points at 16.55¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 7: Average closing price 20 industrials 83.38, as compared with 75.54 corresponding day 1921; average closing price 20 railroad stocks 76.38, as compared with 74.92. (Wall St. Jour., Feb. 8.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 33. Section 1. February 9,1922.

Cooperative Marketing Bill

The House cooperative marketing bill, a measure designed to aid the agricultural interests, was passed by the Senate February 8. As passed by the Senate, the bill retains the provisions which relieve the cooperative associations from the application of laws prohibiting trusts or unfair business practices, placing the authority to determine when such acts have been committed with the Secretary of Agriculture. Other important provisions of the bill prescribe that no member of an association may have more than one vote in directing its activities regardless of the amount of stock he holds, nor can any association pay dividends on stock or membership capital in excess of 8 per cent a year. With respect to the authority granted the Secretary of Agriculture to control attempts to monopolize or restrain trade, the bill provides that notice of charges or alleged violations must be served on the offending association and it must be given an opportunity to defend itself. If found guilty of the charges, the Secretary of Agriculture may order the association to "cease and desist" and in event of its failure to do so the case then may be referred to the Federal courts for enforcement of the order and the filing of such decrees as the courts deem equitable. (Assoc. Press, Feb. 9)

Tariff Bill Conference

The various valuation plans proposed as the basic principle of the pending tariff bill were the subject of a conference February 8 between President Harding and Republicans of the Senate Finance Committee. The President and the senators were understood to have been of one mind as to the wisdom of discarding the American valuation plan as originally written into the House bill. Thus the field of discussion was narrowed largely to the two principal proposals on which both the committee and the Government tariff experts assigned to it have been sharply divided for several weeks. One of these plans contemplates the assessment of duties on the basis of the American wholesale selling price of the imported article, with a provision authorizing the President to proclaim American valuation and increase or decrease the rates fixed in the bill as changing conditions warrant. The other would retain the foreign market value of the imported goods as the basis for assessing duties, and would carry a provision for increased rates in proportion to the decrease in the value of the currency in the country where the goods were bought. (Press, Feb. 9.)

Pecan Culture Bill Introduced

A bill appropriating $25,000 for establishment by the Department of Agriculture of an experiment station to develop pecan nut culture was introduced by Senator Harris February 8. (Press, Feb.9.)

Muscle Shoals

Before the House Military Affairs Committee, February 8, Secretary Weeks, as the first witness to appear on the proposal of Henry Ford to take over the Muscle Shoals, Ala., nitrate plant, told members he intended to forward to Congress two other offers for the great Government power plant, but he did not disclose the nature of the additional offers. The War Secretary expressed opposition to any attempt on the part of the Government to enter into the manufacture of fertilizer, but said there should be a guarantee that fertilizer should be manufactured at Muscle Shoals durthe life of any contract entered into. (Press, Feb. 9.)

Reclassifying Bill

In the course of an extended and comprehensive report on the reclassifying bill, reported to the Senate February 7, Senator Sterling said February 8 that his committee had left virtually intact the salary rates fixed by the House. Under that bill the average rate would be approximately $1,500 a year as compared with an average yearly compensation of $1,134 paid in 1913, which shows an increase of $366, or about 32 per cent. The report sets forth that these salary levels "must be regarded as anticipating a rapid fall in the cost of living, or an early reconsideration of salaries with the return of prosperity." It further proposes to require the classifying agency to maintain in cooperation with department heads the closest relationship between the detailed duties of the positions and the controlling schedule fixed by Congress. "The establishment of a system for an adequate review of Government salaries and for real control of expenditures for services, with due regard to the duties and responsibilities of the positions," says the report, "is one of the fundamental reforms required to put the operations of the Government on a business basis. It has the indorsement of impartial students of Government administration, of many business organizations, including the Chamber of Commerce of the United States, of progressive administrators in the Federal service and of the great body of employees." (Press, Feb. 9.)

President Howard in Tariff Protest

Opposition to enactment of tariffs that would become "trade barriers so high as to defeat their own economic purposes" was voiced by President Howard, of the American Farm Bureau Federation, in an address before the annual convention of the National Dry Goods Association, in New York, February 8. Mr. Howard asserted the American farmer has paid more for certain goods manufactured in this country than they are sold for abroad. "That means," he said, "the farmer will be forced out of the domestic market unless some methods can be found whereby the farmers' exportable surplus can be segregated from that required for domestic consumption and sold on the markets of the world for less than the domestic prices." The freest exchange of commodities must be made possible if America is to collect her European debts, Mr. Howard contended. (Press, Feb. 9.)

Farm Exports for 1921

Exports of agricultural products last year -- the largest total volume in the country's history -- exceeded those of 1920 by nearly 4,000,000 tons, and were almost twice as large as the prewar volume in 1913, according to a statement issued February 8 by the Department of Commerce. During the last year, agricultural exports totaled more than 20,000,000 tons, for which $2,000,000,000 was received, compared with 16,500,000 tons worth $3,000,000,000 in 1920, and 10,500,000 tons, valued at $1,000,000,000 in 1913. (Press, Feb. 9.)

Agricultural Conference Comment

Commerce and Finance for February 8 says: "The West is not very enthusiastic over the results of the farm conference. Too many contradictory plans were proposed by farmers themselves. They know the multiplication table, but disagree on how to better conditions. Nevertheless cheap money and 'soft money' schemes are urged in Congress which would inflate all prices just as surely as they would inflate prices of farm products. It would seem as if Europe's example were a sufficient warning against these plans. The Farm Market bill to facilitate cooperative marketing, one of the best proposals made, has been introduced in the Senate by Senator Kellogg of Minnesota. Otto H. Kahn makes the sensible suggestion that banking institutions which are scolding the farmers for the uneconomic nature of their general program would do better to point out a program of true economic value. This is what Commerce and Finance is trying to do. The farmer needs a deflation of prices of manufactures parallel with the deflation of his own prices, and this is just what the present Congress is trying to prevent."

The Eastern Dealer in Implements and Vehicles for February 2 says: "The conference served well a purpose and that purpose will not be lost on the American people. It brought clearly to light that Gompers heading the labor unions does not seek American prosperity, but seeks only the continuance of high wages. It brought clearly to light that the aims of some men intrusted by the farmer organizations with official position were to work with the labor unions and thus effect a bar to legislation that would benefit all the people. The duty of every man is now to make clear to the honest farmer at home how they were misrepresented at Washington, and the fight should start at once against farmer organization which does not clearly represent the thought of the farmer who works and who is a true American. This is the work of every dealer in implements, of every merchant and every business man. The gauntlet has been thrown down and Americans will take it up. The fight now is against class legislation and setting in its place legislation based on common sense. The Republican majority in both houses of Congress is in peril as a consequence, and this disaster ought to be averted."

In an editorial entitled "Dirt Farmers Absent from Conference," Dante M. Pierce says in The Iowa Homestead for February 2: "In my opinion, the Agricultural Conference started nowhere and got nowhere. To begin with, it was not the conference of 'dirt farmers' which the public had been led to believe it would be. Real, honest-to-goodness farmers, who earn their living by the sweat of their brow, under harvest suns, were conspicuous by their absence. The list of delegates was confined mainly to representatives of a few farmer organizations (with the American Farm Bureau Federation so predominating that the conference, at times, took on the appearance of a farm bureau convention); State agricultural college professors and presidents; representatives of various boards of trade; editors and publishers of farm papers who, for the most part, have supinely followed administration policies, no matter of what politics, for so many years past that the mind of man runneth not to the contrary; representatives of immense corporations among the most heavily capitalized in the country; and Department of Agricultural bureaucrats and underlings whose long residence in Washington has thoroughly impregnated them with the office-holding germ. ... " Mr. Pierce continues his editorial at length, quoting incompletely and unfairly from other published reviews of the conference.

The National Provisioner for February 4 says: "Following on the National Agricultural Conference held in Washington recently, men like Secretary of Agriculture Wallace and President Thomas E. Wilson, of the Institute of American Meat Packers, representing the packing industry, assert that the conference in its five-day session accomplished much good, and the many constructive suggestions presented should result in permanent improvement of conditions. ... One of the most reassuring features of the conference was that it refused to approve any of the freakish and radical resolutions urged upon it. ... That the conference was counseled soundly is seen in the fact that it refused to demand a Government minimum price on farm products, or the issue of unsecured paper money. ... "

Section 2.

Agricultural Bloc at State Capitol

"An agricultural bloc is forming at the New York State Capitol behind a bill introduced by Senator John Knight, of Wyoming, which would give to savings banks and trust companies in New York State the right to invest in Federal Farm Loan bonds. A bitter contest, in which representatives of the cities throughout the State will be arrayed against spokesmen for the rural interests, who are said to favor the Knight bill, is looming." (N. Y. Times, Feb. 9.)

Corn Marketing

The Wall Street Journal for February 8 says in an editorial: "Corn is still a problem with the farmers of the West. The surplus is large and exchange value for other commodities small. With reason, therefore, farmers are considering a reduction in acregge. But a better plan would be to make a market through the meat hog. ... Doubtless the official figures next week will show less hogs on farms than a year ago. There can be no question of a shortage of cattle, which will begin to show itself next summer. A cattle supply cannot be built up in less than three years; therefore, more pork must be provided. An improvement in employment also means an increase in meat consumption. The farmers can get partial relief from a bad situation in marketing their corn by way of the hog. It is true that the farmer's problem will be to get the hog to market, just as it is to-day with the corn. Here is a condition calling loudly for remedy -- the problem of shipping products and getting anything back. A speaker at the Agricultural Conference said that he wanted to buy five carloads of hay in Michigan. The price was $14 a ton in Michigan, but the freight was $16. Therefore he did not buy the hay. ... These are conditions that are forcing the farmers to let their produce rot while food is high in the cities. He knows now who pays artificial railroad wages. ... The cause is a high scale of railroad wages that gives three times as much for 8 hours as the farmer and his family together average, working 13 hours a day. When Mr. Gompers tried to deny this fact to the conference he said over $1,250,000,000 had been improperly placed to the cost of railroad wages. But against his bare statement without proof is the Interstate Commerce Commission's finding that railroad labor gets 60 cents of every dollar of gross income. When mining and other labor cost is added the farmer should see why his commodities cannot go to market with a reasonable profit."

Grain Rate

A reduction of approximately 20 per cent in present rates from Chicago to the Pacific coast was announced in Chicago February 7 by the Chicago, Burlington and Quincy, the Great Northern and Northern Pacific railroads for the summer months. The reduction was said to place the rates on the same level as prior to the 1920 increase. (Jour. of Commerce, Feb. 8.)

International Financing

In an editorial entitled "World Bank Mirage," The Journal of Commerce for February 8 says: "Before starting any more banks, whether national or international, it is highly essential to find out exactly where we stand on the question of foreign trade. If we do not want it and are unwilling to import, then the 'facilitation' of exports is merely giving away our goods, as J.M.Keynes has said."

Packers' Decree

The Journal of Commerce for February 9 says in an editorial on "Political Debts": "The Attorney General of the United States, having burned his fingers in striving to pull some hot chestnuts from the fire in the packers' consent decree case, has now decided to throw his unpleasant task upon the courts. Some time ago he sought to intervene in behalf nominally of a section of the canning interests of California, who were represented as desiring to have the packers allowed to handle their canned goods. ... Mr. Daugherty rushed to the defense of the canners (or of the packers?) with enthusiasm and alacrity. But he found that there was a genuine sentiment throughout the country against the continued concentration of food trades under packer domination. So at present the easiest way out of an embarrassing situation seems to be that of putting the whole subject back into the hands of the judiciary. ... This is the story of a typical political bid for favor or, as some think, an unsuccessful effort to settle political obligations. ... "

Section 3.
MARKET QUOTATIONS.

Farm Products

Feb. 8: Wheat lower early on weakness in cash market, but later reports of dust and wind storms in Kansas induced buying and prices advanced, July wheat going to new high on crop. Chicago May wheat closed higher at $1.31; Chicago May corn higher at 58 3/4¢. Closing prices Chicago cash market; No. 2 red winter wheat $1.36; No. 2 hard winter wheat $1.25. Average farm prices: No. 2 mixed corn in Central Iowa about 40¢; No. 1 dark northern wheat in Central North Dakota $1.24 1/2; No. 2 hard winter wheat in Central Kansas $1.08.

Chicago hog market opened slow and closed about steady, bulk of sales $9.20 to $9.75. Medium and good beef steers steady to strong at $6.75 to $9; butcher cows and heifers steady to strong at $4.10 to $7.75. Fat lambs strong to 25¢ higher at $12.50 to $14.50.

Chicago potato market weaker; other markets nearly steady. New York sacked Round Whites steady f.o.b. shipping points at $1.95 to $1.98. Maine Green Mountains in bulk down 10¢ f.o.b. at $1.46 to $1.56. New York Baldwin apples A 2 1/2 steady f.o.b. Western New York at $7 to $7.25 wire orders. New York Danish type cabbage steady at $30 to $32 per ton bulk.

Hay prices in Eastern markets supported by light receipts and inclement weather. Central western markets slightly lower. No general improvement in demand. Millfeed markets quiet; prices firm. Cottonseed meal steady. Linseed meal stronger on improved domestic inquiry.

Butter markets steady. Consumptive demand good. Cheese markets steady.

Spot cotton up 35 points, closing at 16.28¢ per lb. New York March futures up 55 points at 17.10¢. (Preapred by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 8: Average closing price 20 industrials 82.74, as compared with 75.48 corresponding day 1921; average closing price 20 railroad stocks 76.60, as compared with 74.66. (Wall St. Jour. Feb. 9.)

UNITED STATES DEPARTMENT OF AGRICULTURE

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Vol. IV, no. 34. Section 1. February 10,1922.

National Grange Opposes Price Fixing

Expressing the opposition of the National Grange to the Ladd bill, which would fix prices on the major farm products, Thomas C. Atkeson, Washington representative of the organization, February 9 told the Senate Committee on Agriculture that any attempt to fix prices would be "unjustifiable and indefensible." (Press, Feb. 10.)

Budget Plan for Senate

Radical change in Senate rules, designed to consolidate consideration of all appropriations similar to the budget plan of the House, was decided upon February 9 by the Rules Committee, subject to final adoption by the Senate. Like the House plan of having the Appropriations Committee deal with all appropriations, the Senate committee decided to put all appropriations up to that committee, but with three members added from other present appropriating committees when their respective measures are before the full committee. The proposed innovation was sponsored by Chairman Warren of the Senate Appropriations Committee. (Press, Feb. 10.)

Muscle Shoals

The advisability of reducing the time clause in Henry Ford's offer for the lease of the Muscle Shoals, Ala., Government-owned lands from 100 to 50 years, was questioned indirectly, February 9, by Major General Lansing J. Beach, chief of army engineers, in testimony before the House Military Affairs Committee. Referring to the policy of the Government not to lease its properties for a period exceeding fifty years, General Beach said "it is not always advisable to apply one general rule to things big and small." (Assoc. Press, Feb. 10.)

Railway Cabinet Officer

The New York Times to-day says: "The idea of a Commissioner General of Transportation, suggested by the Railroad Committee of the Chamber of Commerce of the United States, has met with but limited approval on the part of local railroad executives. While the Association of Railway Executives sponsored in 1919 a 'Secretary of Transportation' to sit in the President's Cabinet, the opinion prevails now that a modification of that idea in the form presented by the Chamber of Commerce would run afoul of politics, and that the ultimate result would be negative instead of beneficial."

Agricultural Conference Comment

The Survey for February 11 says, in a lengthy review of the conference by Clyde L. King: "The results of the conference will be felt in many years to come. It will no doubt be felt first of all in legislation and in the extension of credits for farm exports. The influences emanating from the conference will be felt pronouncedly in the next campaign. The conference no doubt made a contribution of no small import by simply calling the attention of the country to the urgent needs of the farmers at this time. Many of the participants remarked that certain of the allied interests present were more radical than were many of the farmers' representatives. The farm crisis is now being felt in the cities. For with farmers' losses totaling into billions of dollars many urban industries must close down at least in part. The other reason for believing that the conference will yield a goodly harvest in the future is the type of present-day farm leader. The writer, who was a member of Mr. Hoover's Unemployment Conference as well as of the Agricultural Conference, noted a remarkable contrast in the ability of the rank and file of the members of the two conferences. The Agricultural Conference had a type of representative with broader vision, with sounder economics, with less selfishness and with greater determination than had the representatives of the Unemployment Conference, as a rule. This contrast is made solely to emphasize the equipment of the present-day farm leader. He stands out as superior to the average industrial leader of the times. These farm leaders had a chance to confer with each other and to confer with the experts called into the conference, and the result of such a conference alone can but have permanent influence of outstanding importance."

Hoard's Dairyman for February 10 says in an editorial: "The conference was called to bring the agricultural situation clearly before the Nation, the causes of its present plight, and to suggest ways and means of extending proper relief. There is nothing fundamentally wrong with agriculture. ... The real trouble agriculture is experiencing is the prices of its products being relatively lower than other products. This is where the shoe pinches. The conference clearly brought out this fact and made it plain that industries would not resume their normal status till adjustments were made. It tried to, and it did, put its finger upon the vital cause preventing the return of agriculture to normalcy. It suggested remedies through the enactment of laws and better organizations of the farmers; through education and efficiency; through cooperation and better marketing; through an adequate, though sound, system of farm credits. It also advocated the reduction in freight rates and the development of waterways. There is nothing startling about these suggestions; nothing to lead a farmer to believe immediate help is in sight, but they do focus the minds of the Nation upon his problems and what may be done to assist agriculture. They give opportunity for united effort."

Section 2.

Business Situation in Georgia

The Federal Reserve Bank of Atlanta finds the outstanding feature in the business situation in that section to be the lack of buying on the part of the farming classes, "caused in great measure if not entirely by the cotton crop, the disposition which has prevailed for several weeks to hold for price recovery the cotton not already disposed of, and the low prices and lack of profitable markets for other agricultural products. Farmers are unable to liquidate their obligations at banks or supply houses." (Commerce and Finance, Feb. 8.)

Canadian Trade

"Foreign trade is uppermost in Canadian discussions. The banks declare the new national divisions of Europe and the mushroom trade barriers set up at their borders have strangled old-time relations, while our own Emergency Tariff has done much to cool Canadian regard for the United States. The banks extract comfort from the fact that while Canadian imports from the States last year fell $314,000,000 below those of 1920, exports to the United States fell but $136,000,000, so that for every dollar of export trade Canada lost the States lost about $2.50. Sir Edmund Walker of the Canadian bank of Commerce says that as the Fordney tariff closes the American market to Canada, the latter in self-protection must 'put every possible obstacle in the way of our people buying from that country commodities for which we are thus rendered unable to pay.' " (Commerce and Finance, Feb. 8.)

Class Legislation

Successful Farming for February 1922 says in an editorial on "Class Legislation": "The organized farmers, through the agricultural bloc, are trying to perpetuate agriculture in its recognized American standards of living. They seek to keep farming on as high a plane as an industry as commerce or manufacture. They foresee the fate not only of agriculture but of all other industries if the farmers are to become renters and peasants. The whole national life as we now recognize it is dependent upon agriculture. This fact has been forced upon public attention during the past year of business depression because the farmers could not buy. Any effort to prevent such a catastrophe or to shorten its menace is not class legislation. The fellow who sees the fire and turns in the alarm, and the fellow who keeps the fire in check with buckets of water are as worthy of praise and consideration as the paid firemen who later do effective work in extinguishing the blaze. Call them agitators if you will, the far-seeing men who have turned in the alarm and the agricultural bloc that has given timely aid, are worthy of national praise rather than of condemnation, for they have had a hand in saving not only agriculture but all other industries."

Cooperative Marketing

Hoard's Dairyman for February 10 presents a comprehensive article by W. B. Liverance, on "Feasibility of Marketing Butter Cooperatively," which says in part: "Among those who give the subject some thought, there is a great variance of opinion relative to the probable success of the cooperative organization whose purpose it is to market agricultural products. There are those who state with positive emphasis and with no degree of modification whatever that such organizations have the earmarks of failure from the moment of their inception; there are enthusiasts, equally positive, who maintain that all agricultural commodities should be marketed by their producers and that with sufficient enthusiasm behind it the cooperative marketing association can not fail to be a success; and, there is a third class, the conservative element, which contends that the success of the cooperative marketing association depends, as does that of any business, on the application of sound business judgment supported by ample capital. Prejudice colors the opinions of the first two classes mentioned making them of questionable value. Only the conclusions of the conservative element should be heeded by those who contemplate the organization of a cooperative marketing association."

Cotton

In reviewing the outlook for farm products for the new year, the National City Banks' February review has this to say of cotton: "As a result of the short crop of cotton the surplus of that commodity which has hung over the market for several years will be in great part removed. While a larger crop may be expected in 1922 than in 1921, an increase of 5,000,000 bales sounds very large, and there is good reason to think that the market will take a 13,000,000 bale crop without a serious decline of price. The world's stock of cotton goods has not been kept up in recent years, and one of these days replenishment will be in order." (Commerce and Finance, Feb. 8.)

Milk Production

"During the war everybody produced grain because grain was needed and grain prices were high. When the demand was over the bottom fell out of the grain market because there was a surplus. There was more corn on the market than there was demand for it. To-day large numbers have taken to milking cows because dairy products are at present the most profitable. Successful Farming does not want to appear to be criticizing anyone for browsing where pastures are green, nor are we insinuating that there is not a need for a larger use of dairy products, but is it other than logical to reason that the same thing which happened to corn may not likewise happen to dairy products? When the supply exceeds the demand the excess will determine the price for all. The truth of the matter is, many of our principal cities already have a ten, twenty or thirty per cent surplus liquid milk and vigorous propaganda of so-called milk substitutes is doing much to narrow the potential market." (Successful Farming, Feb. 1922)

Road Construction Funds

In his weekly review of business conditions, Theo. V. Price says, in Commerce and Finance, for February 8: "It is estimated that over $1,250,000,000 will be expended in road construction this year. Bonds will be issued to raise most of this money and because tax exempt securities can be so readily sold nearly every political community in the country is pledging its credit to get funds that will be given away or spent for public improvements that may or may not be essential. No one can ever guess how much money will be thus provided and disbursed within the present year. The total can hardly be less than two billion dollars, in addition to the regular Federal, State, City and County budgets. The result must be a general increase in taxation and while the first effect of putting all this money in circulation will be to raise prices and inflate credit those in whom the instinct of thrift still survives are really aghast at the remoter prospect. ... But protest against them as we may we must take things as they are and in trying to understand the commercial and financial developments we should not ignore the shadows that coming events cast before them. The advance in cereals, especially wheat, the firmer markets for hogs and hog products and the improvement in sterling, which is now only 12 per cent below par, all probably represent the first response of sensitive markets to the impending expansion of American credit that will be called inflation when it ends and contraction sets in. In time the upward movement is likely to extend itself to other commodities. In each case it will probably be attributed to special causes, just as the advance in wheat is related to the 'drought talk' but underlying the whole series of bullish phenomena is a widening apprehension of the fact that the supply of money will shortly be augmented and that it will move with increasing velocity from hand to hand.

Section 3.

Department of Agriculture

1. The Country Gentleman for February 11 says in an editorial on "The Cotton-Estimate Muddle"; "The Bureau of Crop Estimates down at Washington hands out periodic tips on the trend of cotton-crop prospects, and on these tips the speculative world waits with bated breath. It is a ticklish job, this thing of putting out crop reports. The usual claim of the grower is that Government estimates are too high; with the bears it is just the reverse. Last October the Bureau of Crop Estimates predicted that production for 1921 would be limited to 6,500,000 bales. ... When the December figures were announced the Manhattan speculative group was thrown into turmoil. They were caught unawares. The clamor for 'heads off' is ringing loud and clear. A calm review of the situation fails to disclose any serious dereliction of duty on the part of the Bureau of Crop Estimates. There are six or seven commercial organizations making reports on cotton. Throughout the past season they were in substantial agreement, or even lower than the Government figures. Most of them cut under the Government in regard to cotton acreage on the first of July. None of these commercial agencies, however, checks with a late-season inquiry as to acreage. It was for this reason that the revised figures on acreage put out by the Crop Reporting Board in December caught the market unprepared. Just before and during cotton-planting time last spring the strongest sort of pressure was brought to bear on the cotton farmer to reduce his cotton acreage. ... Everywhere there was talk of a cut ranging from 30 to 50 per cent. So strongly did this reduction idea permeate everywhere that every class of crop reporters in the field sent in estimates which, it is now clearly evident, were biased by the cry of the day. ... Perhaps the error might have been caught earlier but for the unfortunate fact that the House Committee on Agriculture had succeeded in cutting the travel allotment for special representatives of the Bureau of Crop Estimates from $1500 a year in 1919 to less than thirty dollars a month for the fiscal year ending last July, thus nullifying the most important check on 'bias' in reports from the field. The whole incident goes to show the extreme difficulty of correctly valuing an alleged radical departure from the normal. In the meantime the cotton grower for once is able to smile broadly at the turn of affairs."

2. "Reorganizing Till it Hurts" is the title of an extensive statement in The Country Gentleman for February 11, which says in part: "Do farmers want the United States Department of Agriculture split up between two or three other departments? Some people do. It is proposed, for instance, that the Bureau of Markets shall go to the Department of Commerce and that the Forest Service shall be run by the Secretary of the Interior. ... No one intimates that the market work has been poorly done by the Department of Agriculture. But perhaps it would be better or more cheaply done over in the Department of Commerce? Such an argument can scarcely be taken seriously. ... The proposal to transfer primary control of the national forests to the Department of the Interior also arouses indignant protests. From 1891 to 1905 the forests were under the jurisdiction of the Department of the Interior. To say that they were shockingly mismanaged is too mild. In 1905 the smell of the thing became intolerable and, urged by Roosevelt, Congress took the national forests away from the De-

partment of the Interior and gave them to the Department of Agriculture for administration. ... If the Secretary of Agriculture is quite satisfied with the present national forest arrangements, if Western live-stock men are petitioning for an extension of the jurisdiction of the Department of Agriculture and if the professional foresters are on the warpath over the proposed transfer, just who is it that wants to see the national forests and the grazing lands in the hands of the Department of the Interior? ..."

Section 4.
MARKET QUOTATIONS.

Farm Products

Feb. 9: Grain market excited and prices fluctuated rapidly. Chicago May wheat lower at $1.29 5/8; Chicago May corn lower at 58¢. Cash markets steadier with good demand for choice milling wheat; closing Chicago prices: No. 2 red winter wheat $1.32; No. 2 hard winter wheat $1.25; No. 2 mixed corn 53¢; No. 3 white oats 36¢. Average farm prices: No. 2 mixed corn in Central Iowa about 39 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.27 3/4; No. 2 hard winter wheat in Central Kansas $1.10.

Chicago hog prices steady to strong, bulk of sales $9.25 to $9.85. Beef steers active, medium and good beef steers $9.20 to $9.55. Butcher cows and heifers strong at $4.10 to $7.75. Lambs unevenly strong to 25¢ higher, fat lambs $12.75 to $14.75.

Chicago potato market slightly strong; other markets nearly steady. New York sacked Round Whites steady f.o.b. at $1.95 to $1.98 per 100 lbs. Maine Green Mountains steady f.o.b. at $1.46 to $1.50 per 100 lbs. bulk. New York Baldwin apples A 2 1/2 $7 to $7.25 per bbl. f.o.b. wire orders. New Danish type cabbage steady f.o.b. at $30 to $33 per ton bulk.

Hay prices in East continued steady; Central Western markets slightly lower. Alfalfa market strong. No general improvement in demand. Millfeed markets quiet; prices firm.

Butter markets steady to firm. Cheese markets also steady. Active trading in Wisconsin.

Spot cotton up 1 point at 16.29¢ per lb. March futures down 8 points at 17.02¢ (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 9: Average closing price 20 industrials 83.60, as compared with 75.59 corresponding day 1921; average closing price 20 railroad stocks 76.81, as compared with 74.42. (Wall St. Jour., Feb. 10.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 35. Section 1. February 11,1922.

President Harding on the Agricultural Situation

"The general industrial and business situation now is such as to justify confidence that we are well past the worst phase of the agricultural crisis," declared President Harding in a letter read, February 10, to farmers attending the annual Red River Valley farm crop and live-stock show at Crookston, Minn. "The improvement is well begun and will continue steadily from this time forward," said the letter, which was addressed to C. G. Selvig, superintendent of the Northwest School of Agriculture and chairman of the board of managers of the midwinter show held in conjunction with the farmers' meeting.

Referring to the recent national agricultural conference at Washington, the President's letter said: "I am glad to say that my utmost anticipations of useful results from that gathering were more than realized. I believe it has set a new mark in the aspirations, not only of the agricultural community, but, indeed, of the entire country, in behalf of a better understanding of our agricultural problem; and of more effective measures for dealing with it. The fine spirit of cooperation among the farmers, and the disposition on their part to unite their efforts in every possible way with those of the Government augurs particularly well for our hope of accomplishment. The conference ... gave serious and thorough consideration to the problems before it and presented practicable proposals for doing practical and worth while things. It avoided all extremism and adopted the wise course of making no excessive demands for special favors or class treatment. I am very sure that the wisdom of this course will be demonstrated hereafter. ..." (Assoc. Press, Feb.10.

Russian Food Situation

In a letter to President Harding, sent, February 10, in response to a request for information, the Secretary of Commerce told Mr. Harding that the Russian famine is growing, and that upon America will depend in large measure the relief of the millions who are on the verge of starvation. In his letter Secretary Hoover said: "The famine is proving of even larger dimensions than anticipated, for the agricultural decadence outside the special drought region of the Volga basin is so severe in some places as to amount to famine. The amounts of food estimated by the Soviet authorities as being available for towns in the non-drought area seems to have been much over-estimated. The neck of the bottle in relief to the drought area is port facilities and transportation inside Russia. It is impossible to determine at this moment what quantities can be handled because the maximum pressure upon ports and railways will not occur until the large arrivals during this month. ... " (Assoc. Press, Feb. 11.)

Price Fixing

Victor Murdock, a member of the Federal Trade Commission, declared, February 10, before the House Committee on Agriculture considering a bill by Representative Sinclair, declared price fixing, except in emergencies, is inadvisable. The Sinclair bill would provide for a commission of Government officials, who would establish minimum prices for certain farm products." (Press, Feb. 11.)

Government Expenditures

Senator King, discussing appropriations and expenditures, February 10, declared the cost of Government has increased $400,000,000 a year under Republican rule, despite the work of the Bureau of the Budget. (Press, Feb. 11.)

Muscle Shoals

Delays estimated from six months to a year or more probably will be encountered by Government officials before they are in a position to turn over the nitrate plants, power stations and water dams at Muscle Shoals, Ala., to Henry Ford, should his proposed contract for their purchase and lease for 100 years be accepted. This was the conclusion arrived at February 10 by members of the House Military Committee, which is conducting hearings on the Ford offer. (Press, Feb. 11.)

The Price Movement

The Wall Street Journal to-day says in an editorial: "Students of the stock market movement as recorded by the average closing price of twenty industrial and twenty railroad stocks, taken for comparison in the Dow, Jones news service, ask for some discussion of the market, on Dow's well-known theory of reading it. He showed clearly enough that there were three simultaneous movements - the major swing, lasting from a year to three years; the secondary reaction or rally in a bull or bear market, with a duration of a few days to a month or more; and the daily fluctuation. The market seems easy to read at present but people still write, presumably to have their opinions confirmed. At present the major swing of the market is upwards. The low of the preceding bear movement, which had lasted a year and ten months, may be said to have occurred last June, although there was a subsequent new low for the industrials alone in August. ... It may once more be repeated that the stock market is acting not upon the known news of to-day but upon what conditions will be as far ahead as the combined intelligence and knowledge of Wall Street can foresee. There are plenty of bear arguments in the complicated conditions in Europe, the uncertainties of taxation and the interested aberrations of Congress. All these factors are known and, if possible, overdiscussed. The overwhelmingly bullish feature is the cheapness of money and the small speculative account open. Speculation is the barometer of general business, and the stock market is saying that there will be a real, if slow, improvement in the early spring and summer, the duration of which it cannot foresee."

Butter from Argentina

The steamship Huron, which arrived at New York February 10 from Buenos Aires and Rio de Janeiro, brought 36,000 cases of butter, the first shipment of butter ever sent here from the Argentine. (Phila. Ledger, Feb. 11.)

Section 2.

Agricultural Bloc

"When a group of legislators get together regardless of their political breed and variety, and say that they know what should be done, and they organize and hold meetings more or less regularly and do not mind if reporters call them a 'bloc,' there's really no need for such an awful hue and cry. They understand their problem and propose to solve it if they can. According to all our historical political principles, the whole theory of the bloc is dead wrong. But, practically speaking, there it is, and we must deal with it. It is not the first time that senators have lined up for certain interests regardless of party. But it is the first time in our history that any such group have honestly and openly let everyone know what they were about. And that is not really a bad thing." (The Field Illustrated and System on the Farm, February, 1922.)

Agricultural Policy Needed

"When all this fever of purchasing power and food surplûses and export outlets and difference in exchange has cooled; when we have no more reason to complain about railroad rates and wages and the price of coal; when a man behind the counter has done what the farmer has done -- taken his loss and gone back to work on a prewar schedule; ... then we will wake up to find several very serious facts staring at us from the road ahead. Among them are these: We have more than a hundred million people in America to-day. Before most of us now living have passed to the great beyond there will be nearly or quite 150,000,000 people. There is no more free land for farms to be had for the asking. The land that is not now farmed will cost a lot of money to make it fit to farm. The American farmer already produces much more per man employed than the farmer of any other country. How can we make it worth his while to produce more per acre also? It usually costs about as much as the farmer gets for wheat or apples or milk or eggs or any other food to put those things on the pantry shelf That does not mean that the farmer gets nothing (although sometimes he gets less). It means that if the farmer gets five cents for something -- a quart of milk for example -- it usually costs some one else another nickel to get that milk to the babies who drink it. How can we make this service worth only two cents instead of five? These facts must be faced. They will not get out of the road. Concerted thought, constructive planning, consideration for others and for the future demand that the best brains of the country be put on the solution of these problems. The time is ripe for the development of a national agricultural policy. Various writers have hinted at it, Secretary Wallace has suggested it, and other agricultural authorities have discussed it more or less definitely." (The Field Illustrated and System on the Farm, February 1922.)

Canadian Cattle Embargo

The British Minister of Agriculture announced in London February 9 that he did not contemplate removing the embargo on the importation of Canadian cattle. (Phila. Ledger, Feb. 10.)

Cooperative Marketing

"The great disadvantage of the cooperative marketing association is that it can't be operated as efficiently as its privately-owned competition, according to the opponents of cooperation. Let's see about that. The Producers Live-Stock Commission Association of East St. Louis, charging the same commission rates as the other firms

in the yards, put nearly 50 per cent of its earnings in its surplus fund during January, its first month of operation. If its volume of business continues to increase, its savings will be more than 50 per cent. These earnings will be pro-rated next December among those who shipped live stock to the association. It looks like some of the boys would get a fat Christmas present from themselves. The co-operative commission houses at South Omaha and St. Paul both paid their patrons approximately 50 per cent in patronage dividends last year. The old-line commission firms say that they must charge the present commission rates in order to make both ends meet. Maybe they do. We have always contended that cooperative associations could be operated just as efficiently as private concerns, but if we hear of many more savings like those at South Omaha, St. Paul, and East St. Louis, we're going to come right out and say out loud that the cooperative plan is far superior to the old system." (Prairie Farmer, Feb. 4.)

Corn

"Corn as Human Food" is the title of an editorial in American Miller for February 1, which says: "The U. S. Department of Agriculture has done a good service in collecting and publishing many recipes for making all sorts of dishes out of cornmeal. A great deal of cooking lore that has to do with corn products is in danger of being lost unless some agency like the Department of Agriculture perpetuates it. But this work might be enlarged and uses of corn in Mexico, Central and South America be added to our many American dishes. ... Further, the recipes of the Indians in New Mexico and Arizona for corn dishes ought to be collected and put in permanent form, for their native cooking is disappearing. The Indians of the community sort know a lot about corn that we do not know. They cultivated corn of all colors and all sizes; and for certain uses, certain kinds of corn were used."

Cost of Production

"The cost of production comes in for a great deal of consideration and debate these days. There is an outstanding fact, however, in certain information compiled following a survey by the United States Department of Agriculture that is well worth recognition in this regard. This fact is that on those farms where highest production per acre was recorded, where labor was most efficiently used, where production per unit of live stock was greater and where the volume of business was greatest within reasonable limits, the cost of production was lowest." (Oregon Farmer, Feb. 2.)

European Debt to U.S.

Eliot Wadsworth, Assistant Secretary of the Treasury, says in an article in Trust Companies, for January, republished in The Economic World for February 4: "Obligations of Foreign Governments amounting, with accrued interest, to over $11,000,000,000, or $100 per capita, are in the Treasury of the United States. Although lying dormant they are affecting every locality and every individual. People are beginning to take an active interest in them. Opinions of what should be done seem to vary between two extremes: One collecting the entire debt at once in cash, an obviously impossible solution; the other that the debts should be summarily canceled. The Treasury wishes to refund, making the terms of the new bonds fit the ability of each country to pay. Let me describe the present situation. These loans involve most intricate problems of foreign exchange, foreign trade

and, to an extent, the solvency of many debtor governments. There is no rule or precedent to be followed in dealing with the world credit situation caused by the existence of debts between nations. We are in the position of a creditor holding overdue paper, but it must be remembered that there are similar debts outstanding between the Allies. European nations owe England as much as England owes the United States. Germany has assumed a liability to the Reparations Commission of $33,000,000,000. This makes all the Allies creditors of Germany. It is a tangled situation; and such international liabilities, particularly in their present unbusinesslike form, create uncertainty, shake confidence and make the resumption of normal business activity impossible. ... "

Foreign Trade

In an editorial on "Europe's Needs and Ours," The New York Times February 10 says: "Nobody in authority denies the essential fact that our lot is now definitely and indissolubly connected with that of Europe. This truth is firmly established even in those regions of the free and independent West where the scornful inquiry used to be raised: 'What have we to do with abroad?' The humblest dirt farmer now knows that we have everything to do with it. Indeed, it is stated in Washington that a great deal of the pressure brought to bear upon the President to induce him to go to Genoa has come from the agricultural interests. The farmers have come to understand that the 10 per cent or so of their surplus which may be exported to Europe has much to do with fixing prices and assuring prosperity at home."

Government Farm Banking

"A New Reserve System" is the title of an editorial in The Wall Street Journal for February 10, which says: "But for the vicious principle of Government farm banking which it vitalizes, Senate bill 3051 might be dismissed as a matter of petty pilfering. To establish 'a farm credits department in each land bank,' $1,000,000 of non-profit and non-interest yielding capital is to be paid into each land bank from the fiduciary assets of the United States Treasury. ... Thus supplied with funds, the land banks are to become commercial banks. They are authorized to rediscount, not the paper of merchants, but that of farmers, having a maturity radius of from six months to three years. As much of this paper finds its way into the national banks through merchants, the distinction is without practical consequence. ... While Reserve banking and membership are thus plausibly maintained intact as between the Reserve banks and borrowers from them, they are undermined, and the solidarity of the Reserve system imperiled, in another way. That way is by the simple device of authorizing direct rediscounting by the land banks 'for any national bank, State bank, trust company, incorporated live-stock company or savings institution.' No doubt can exist of the purpose to set up alongside of the Reserve system, which is a private system, a Government land bank system, in dostructive competition with it. The Comptroller is to report confidentially to the land banks on the condition of national banks. Federal Reserve banks may still determine rates of discount where their member banks apply to them. But control of the final rate and essential supervision of the operation of member banks of the Reserve system as to the enormous volume of banking which centers in farming operations is as effectually transferred to the Farm Loan Board as though the whole Reserve Act had been rewritten with that end in view."

Section 3.

Department of Agriculture

"Who's Who in the U. S. Dairy Division" is the title of a two-page review of the work of this bureau, by S. R. Winters, in Hoard's Dairyman for February 10. The author prefaces his detailed outline of the work of the Dairy Division in the following words: "Fitting is it that the truism of Thomas Huxley, 'Science is nothing but trained and organized common sense," has been inscribed in bold letters and hangs in a frame at the entrance to the East Wing building, the quarters of the Dairy Division of the United States Department of Agriculture. The service of this governmental bureau to the dairy industry during its quarter of a century existence seems to have been imbued with the spirit of this treasured proverb. Growth, too, has marked its acceptance of this principle - from a mere organization in 1895 to a personnel of 155 and an appropriation of $400,500 for the fiscal year of 1921."

Section 4.
MARKET QUOTATIONS.

Farm Products

Feb. 10: Chicago grain prices higher on higher foreign markets and heavy export sales. Cash wheat demand improved. Chicago May wheat higher at $1.31 3/4; Chicago May corn higher at 59 1/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.33; No. 2 hard winter wheat $1.25; No. 2 mixed corn 54¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in Central Iowa about 41¢; No. 1 dark northern wheat in Central North Dakota $1.25 1/2; No. 2 hard winter wheat in Central Kansas $1.12.

Chicago hog prices strong, bulk of sales $9.50 to $10.10. Beef steers steady to strong, medium and good beef steers $7 to $9.15. Butcher cows and heifers $4.10 to $7.75. Best fat lambs strong to 15¢ higher, others steady; fat lambs $12.75 to $14.75.

Chicago potato market slightly strong; other markets nearly steady. New York sacked Round Whites down 5 to 10¢ at $1.88 to $1.95 per 100 lbs. Maine Green Mountains in bulk steady f.o.b. at $1.46 to $1.56. New York Baldwin apples A 2 1/2 steady f.o.b. cash track Western New York shipping points at $6.75 to $7 per bbl. New York Danish type cabbage steady f.o.b. at $30 to $32 per ton bulk. New Jersey yellow sweet potatoes $2 to $2.25 per bushel hamper in New York.

Timothy hay market fairly steady. Alfalfa firm at Kansas City and Chicago. Prairie dull. Low grades have slow sale. Feed market inactive. Traders have no difficulty in filling orders; country buyers hesitant at current levels.

Chicago butter market firm; other markets steady. Foreign butter dull. Cheese markets steady.

Spot cotton up 1 point at 16.30¢ per lb. New York March futures up 10 points at 17.12¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 10: Average closing price 20 industrials 83.05, as compared with 75.59 corresponding day 1921: average closing price 20 railroad stocks 76.77, as compared with 73.60. (Wall St. Jour., Feb. 11.)

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Vol. IV, no. 36. Section 1. February 13,1922.

Cooperative Marketing Bill

By a vote of 276 to 8, the House, February 11, accepted Senate amendments to the farmers' cooperative marketing bill and sent it to the President for his approval. (Press, Feb. 12.)

The Bill Criticized

Referring to the cooperative marketing bill, The Journal of Commerce for February 10 says: "There is no reason why the farmers of this country should not market their products cooperatively but every reason why they should. President Harding has endorsed the cooperative idea, and in so doing he has the assent and approval of the public everywhere. The action of Congress in aiding in every possible way the curtailment of middlemen's costs and charges is highly to be approved. Reduction of intermediate expense between seller and buyer should be sought in every line, and particularly in food and other necessities of living. ... Now Congress consciously determines to exempt the farmer from the restrictions of the anti-monopoly law. The cooperative marketing associations are relieved of all restrictions which apply to monopoly control of prices or to unfair trade practices. They may be as monopolistic and may use as unfair tactics as they choose, and may do so without let or hindrance so far as the law or the national Government is concerned. The only restriction upon their conduct is a certain power reposed in the hands of the Secretary of Agriculture, who is to have the authority to determine when the acts of the cooperative associations are offensive in the eyes of the law. Whether any such remarkable provision will survive the test of the courts -- whether the American people and their judicial system will accept the opinion of the Secretary of Agriculture, the political representative of the farming element, as the final judgment on the rightfulness of the conduct of farmers -- remains to be seen. But of the intent of Congress there can be no doubt. Its action is touted and advertised as a 'great victory' for the farm bloc, which is regarded as having won an important success."

Farmer Representatives Oppose Taxes Proposed to Meet Bonus

Sharp attacks made by representatives of the National Grange and the American Farm Bureau Federation upon the new taxes proposed to pay the soldier bonus caused worry and dismay among members of the Ways and Means Committee, February 11. P. C. Atkeson, Washington representative of the National Grange, expressed opposition to the bonus tax schedules in a letter to Chairman Fordney, declaring the bonus program violates every principle of taxation indorsed by the recent agricultural conference, while Mr. McKenzie urged reenactment of the excess profits tax. (Press, Feb. 12.)

On this subject an editorial in to-day's Philadelphia Public Ledger says: "Two of the most powerful lobbies ever set up in Washington are about to side-swipe each other in the scramble over the Soldiers' Bonus Bill. One of these is the

soldier lobby working for the bonus. The other is the group of spokesmen for organized agriculture. They are not in head-on collisión as yet. The farm organizations are not fighting a bonus. They are, however, fighting the impending bonus taxes. If industry and business can be taxed to pay for the bonus, the farmers will not object. They are objecting vigorously, however, to the proposal that any part of the necessary billions shall be raised by a sales tax. The farmers want an excess-profits tax; but business objects, and Congress has laid that tax away in lavender. The motorcar owner, who is now paying about $335,000,000 yearly in taxes, objects to being saddled with an additional $120,000,000 and is lining up with the farmer against the 'eight-point tax plan.'..."

Grain Exchange Protection

A Chicago dispatch to the Philadelphia Public Ledger for February 13 says: "Protection of non-member corporations and grain exchange members against abuses arising from unauthorized trading in futures is recommended by the Joint Conference Committee on grain exchange practices, appointed by various farm and marketing bodies. The committee makes no attempt at this time to reach any final conclusion regarding requirements of exchanges for admission to membership of representatives of cooperative associations. Its next regular meeting will be held May 11, by which time certain court decisions affecting this matter are expected. Robert McDougal, president of the Board of Trade, says: 'The deliberations of this committee, comprising some of the ablest representatives of both sides, indicate the greatest forward step yet taken to compose the differences between the organized exchanges and the cooperative marketing machinery of the farmers, and the spirit of cooperation and conciliation displayed promises results satisfactory to all concerned.'"

Railroads and Farmers

"'Saving' the Railroads" is the title of an editorial in The Wall Street Journal to-day which says: "Mr. McAdoo claims that Government operation was a tremendous benefit to the country. The figures that he marshalls to prove his claim make an excellent smoke screen, but the farmer who sells his corn for less than cost of production, the workman out of a job, and the consumer looking at the extending gap between income and outgo have an interest in the matter that will not be satisfied with his self-paid compliment. Perhaps the business and banking world hardly thought of the farmer as anything but a producer. He is the greatest consumer in the country. Forty per cent of the production of industry is consumed by him. Industry and transportation would stagnate without him. On the other hand, agriculture is utterly helpless without transportation. Destroy the railroads and the agriculture of the West would revert to the primitive type where the farm supplied the needs of the family and nothing more. Government operation, with past and subsequent Government regulation, have loaded the railroads down until their power of service to agriculture is seriously affected. ...The result is, the farmer burns his corn and stops buying goods. When depressed industry and transportation lose their biggest customer, their state is made worse, and labor walks the streets in search of a job."

Butterfat Record Broken

A world's record for milk and butterfat was broken by Princess Aggie Polkadot de Kil, a Holstein cow owned by Mr. H. P. Fischer, of Shakopee, Minn., it was announced officially February 12. The cow finished a yearly test on January 15 as a senior 4-year-old with 31,600 pounds of milk and 1,052.5 pounds of butter fat, equivalent to 1,315 pounds of butter. (Press, Feb. 13.)

Agricultural Conference Comment

The National Stockman and Farmer for February 11 says: "A reader asks what we think of the recommendations made by the recent Agricultural Conference at Washington. When we remind him that twenty-five of the measures favored by the conference require legislation by Congress he will see the impossibility of a brief answer to his question. Of the recommendations in general we think some are good, some are bad and some are unimportant. Not many of them can or will be carried into effect very soon, for legislation is not a swift process. The chief value of the conference was not in its suggestions for legislation or anything else but in the fact that it made the public think about agriculture, its problems and especially its importance to the Nation's welfare."

The Indiana Farmer's Guide for February 11 says: "The recent farm conference may well be considered a high point in American agriculture. Despite its critics, it really accomplished much of benefit to farmers. It established farming in its rightful place among the other industries; it indicated to Congress the course to pursue in considering legislation relative to agriculture and laid out a national agricultural policy for the future. These three things it did, if nothing more, and who can say they are not worth while? President Harding and Secretary Wallace are to be highly commended for calling the conference and giving farmers a chance to be heard in a national way."

The American Agriculturist for February 11 says: "It must be borne in mind that this was not a farmers' conference but a national agricultural conference, in which farmers, and representatives of business, which because of its intimate connection with agriculture was now suffering with agriculture from what is properly termed a collapse of values, were sitting together to help one another if possible. The farmers were in control, however, and a close inspection will show that while not much that is new came out, nothing which was wild or visionary had a chance of coming out. The results, and the reports, are a systematic localization of the present situation in agriculture. The question was: 'Where do we go from here?' And the answer of the conference very plainly was: 'We are not sure, but let's tighten up our belts and go.' "

The Pacific Homestead for February 2 says: "It is believed that great good will come from this conference by the delegates who are carrying back to their respective sections the work of the conference and by their understanding of the part the farmers themselves must take in bringing about readjustment and cooperation with all factors in the Nation. This farmers' conference has shown unselfish interest, in that it doesn't particularly expect to benefit itself, but wants all of the different elements of the Nation brought back on to an equality. It has realized that no one group or element of the country can succeed without the prosperity of the rest of the people."

The Oklahoma Farmer for February 10 says: "The most immediate probable effects of the National Agricultural Conference will be: A legal recognition of the right of farmers to organize cooperatively for business purposes, substantially along the lines of the Capper-Volstead bill as it passed the House; provision for financing agricultural operations by methods which will be adapted to them as present banking practice is adapted to manufacturing and merchandising operations. These things stand out from the mass of words with which the conference was overwhelmed on its closing day. Much of it is altogether desirable and possible of ultimate accomplishment. But after having listened to everything which was done at every session, I am more than ever convinced that virtually all of what will happen to any farmer and his family during 1922 will be the consequences of their personal acts during the last few years and during the current year. Very little indeed was said about this during the conference, and that little was in most general terms."

Section 2.

Agricultural Financing

The War Finance Corporation announces that from February 6, to February 8, 1922, inclusive, it approved 166 advances, aggregating $5,219,000, for agricultural and live-stock purposes in the West, South and Southwest. (W.F.C. press statement, Feb. 10.)

Agricultural Situation

Eugene Meyer, Jr., managing director of the War Finance Corporation, expressed the belief February 12, that the situation confronting the farmer and stock raiser is steadily improving. He said: "The optimistic view of the improving conditions in our basic agricultural industries, expressed by President Harding in his letter to the Minnesota farmers and stockmen, is amply borne out by reports received from the agencies of the War Finance Corporation throughout the country. Corn is now selling at country elevators in Nebraska and Iowa at 40 cents a bushel as against 20 cents four months ago. Hogs command a good market, and reports indicate that the farmers are getting the equivalent of 80 to 90 cents for corn that is marketed on the hoof. The market for sheep is stabilized. They are selling in large quantities and at prices considered satisfactory to growers and feeders. The cattle market is no longer demoralized; the breeding herds are being held; the young stock is no longer being sacrificed, and the feeding and fattening business is proceeding in good volume and with fairly satisfactory returns. There is a broad market for wool and hides at good prices. The grain markets are showing a good consumptive demand. The movement of cotton has been much larger this season than last year, and the prices are much fairer to the producers. The large cotton cooperative marketing organizations have demonstrated their ability to conduct their business on a sound basis and have proved to be a stabilizing factor." (Press, Feb. 13.)

Apple Grading in Britain

The establishment of standard grades for apples is being seriously considered by British apple growers, and already much progress has been made in this development. The chief reason for the movement is the desire to place on the large British markets an apple grown in England which will compare favorably in price with the best American and Australasian product. (N. Y. Times, Feb. 11.)

Canadian Meat Export Trade

"United farmers of Alberta will not go into the cooperative meat export business at this time. After a long discussion the 1,043 delegates who attended the annual convention recently decided to table indefinitely a report from a special committee which recommended that the association go into the business of shipping chilled beef to British markets on a cooperative plan." (Butchers' Advocate, Feb. 8.)

County Agents

"In scanning the corn belt farm papers these times it is apparent that many county agents are losing their jobs, for in many counties petitions are being circulated asking county courts or commissioners not to reemploy them and in most cases the petitions are based on the plea that in these strenuous financial times the county agent is an unnecessary luxury, while in others the statement is frankly made that these men are not making good. In our opinion, each agent should be judged upon his merits. ... We have never been able to understand, for instance, why a county agent should not put

in the whole winter making schoolhouse addresses on soil fertility, feeding balanced rations, leguminous crops and other vital agricultural subjects -- and if he isn't capable of doing this, then he isn't able to earn his salary. From now on farmers are going to vigorously oppose the carrying of 'excess baggage.' They are going to demand that those who live on the farmers' taxes in whole or in part shall earn their money or get off the payroll -- and hence the days of the county agent who is merely trying to 'get by' are numbered." (The Missouri Farmer, Feb. 1.)

European Situation

"A review of Europe's situation - the weak, disturbed and unstable storm center in international trade and finance - draws us to the inevitable conclusion that there can be no stabilization of exchange upon any footing until there is a cessation of inflation in the principal Continental States. Inflation is the result of unbalanced budgets, which themselves are the result of the necessary expenditures upon reconstruction, the unsettled situation of German reparations, the maintenence of land armaments, and increasing debts. The disturbing forces are, indeed, predominantly European; and while Europe has made great progress in agricultural, industrial, social and political stability since the war, the fiscal situation continues to disrupt exchange with great severity." (The Economic World, Feb. 4.)

Production

"The Price, Not Yield Per Acre, Will Determine Total Production" is the title of an editorial in The Progressive Farmer for February 4, which says: "One of the strange slants of the human mind, frequently exhibited, is that so many appear not to see the difference between making more farm crops, producing more in the aggregate, and producing more per acre. Producing more of most crops would mean less money for the producer, but producing more per acre, while holding down the total production, means cheaper production, hence more for the farmer. It is false, and always has been false, that the scientific agricultural workers of the country and the farm press have tried to teach the farmers to produce more as a whole, or have urged or advised them to do so. To study production problems and to give out facts that will make production more economical is in no sense to urge the farmers to produce more. To urge the farmers of the South to produce more cotton, for instance, would be absurd, but to urge them to produce more cotton per acre in cultivation and to endeavor to give out facts which will aid in that purpose is the highest sort of service, the most effective and the most helpful which can be rendered the cotton farmer. Good marketing may add a cent or two, or possibly in some cases as much as five cents per pound to the selling price, and is therefore tremendously important; but by producing as much cotton on ten acres as is now produced on twenty acres, that is, producing 350 pounds per acre instead of 175 pounds per acre, will reduce the cost at least 40 per cent, or actually bring the farmer 20 cents for every 12 cents he now gets."

Raisin Marketing

Sales Manager Grady, of the California Associated Raisin Co., is about to open an office of the company in London, England. The association will use the same form of sales organization in Europe that it is using in the United States now, and which it is also putting in in Canada. (California Fruit News, Feb. 4.)

Section 3.

MARKET QUOTATIONS.

Farm Products

A better feeling existed in the grain trade during the week and prices advanced, Chicago May wheat up 8¢, Chicago May corn up 3¢ Principal market factors were: World wheat situation, higher foreign markets, decrease in visible supply, and improved milling demand.

Timothy hay markets were fairly steady at unchanged prices. Alfalfa firm at Kansas City and Chicago. Low grades prarie very slow sale. Feed market inactive. Traders had no difficulty in filling orders; country buyers hesitant at current levels. Cottonseed meal steady, sales of small volume. Linseed meal firm.

Butter markets steady. Trading somewhat irregular with active demand limited to fancy goods. Foreign butter dull at 3¢ lower than a week ago. Cheese markets a little steadier. Trading in Wisconsin more active.

Chicago hog prices advanced 60¢ to 85¢, heavy hogs advancing most. Beef steers generally steady; low priced cows firm to 15¢ higher; other grades and heifers unchanged. Stockers and feeders mostly 25¢ higher; light veal calves generally 50¢ lower. Fat and feeding lambs up 50¢ to 75¢. Wholesale fresh meat prices trended downward.

Chicago potato market stronger; most other cities weaker. Celery prices declined at Florida shipping points. Apple markets steady for barreled stock, firm for boxed stock. Cabbage markets irregular.

Spot cotton advanced 42 points; New York March futures up 58 points.

Feb. 11. Wheat prices kept within comparatively narrow range but averaged higher, Chicago May wheat closing at $1.33, Chicago May corn lower at 59¢. Receipts all positions more liberal. Milling demand improved; cash market broader. Corn influenced by heaviness in cash market. Closing prices in Chicago cash market: No. 2 red winter wheat $1.34; No. 2 hard winter wheat $1.28; No. 2 mixed corn 54¢; No. 2 yellow corn 54¢; No. 3 white oats 37¢. Average farm prices: No. 2 mixed corn in Central Iowa about 41¢; No. 1 dark northern wheat in Central North Dakota $1.27 1/2; No. 2 hard winter wheat in Central Kansas $1.12.

Chicago hog market higher, bulk of sales $9.60 to $10.10. Cattle, sheep and lambs prices practically unchanged. Medium and good beef steers $7 to $9.15; butcher cows and heifers $4.10 to $4.75; light and medium weight veal calves $7 to $11; fat lambs $12.75 to $14.85.

Chicago potato market firm; other markets show weaker tone. New York sacked Round Whites slightly weaker f.o.b. at $1.88 to $1.92 per 100 lbs. Maine Green Mountains in bulk steady f.o.b. at $1.46 to $1.56. New York Baldwin apples A 2 1/2 at shipping points, f.o.b. wire orders, $7 to $7.25 per bbl. Danish type cabbage steady f.o.b. at $30 to $32 per ton bulk; slow in Boston at $2.75 to $3 per bbl. - Spot cotton up 14 points closing at 16.44¢ per lb. New York March futures up 17 points at 17.29¢. (Prepared by Bur of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 11: Average closing price 20 industrials 82.96; average closing price 20 railroad stocks 76.81. Holiday on corresponding date 1921. (Wall St. Jour., Feb. 13.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 37. Section 1. February 14,1922.

Senator Borah on Bonus Measure and Farm Situation

In an address in the Senate against the proposed program of taxation to raise funds for soldier bonus payments, Senator Borah, February 13, cited the agricultural situation in the country, the abandonment of farms, the exodus from farm to city, the result being that the congested centers were receiving those who under normal conditions should be producing; the farm debt of the nation in 1910 amounted to $1,726,172,851, and to-day, the Senator said, it was about $8,500,000,000. There were thousands of farmers in the Far West, he declared, who were to-day unable to send their children to school because they could not buy the books. Many of them, he added, were subsisting on bread and milk. "We are going to face a condition inside of the next ninety days," said Mr. Borah,"in which hundreds of thousands of farmers throughout the country will not be able to plant their crops. They are not in a position to hire the help to do so. I submit that, before the Congress advises the farming interests of the country that, notwithstanding the serious condition which prevails, they propose to put up on their proportion of from $3,000,000,000 to $5,250,000,000 of additional indebtedness, we ought to take counsel among ourselves as to what will be the probable effect." (Press, Feb. 14.)

Farm Prices

Basing an editorial on the recent statement of Eugene Meyer, Jr., to the effect that agricultural markets are improving, The New York Times to-day says: "These are only a few of the leading signs that the industry which produces the greatest amount of new wealth each year, but which has suffered more than any other, and undeservedly, is reviving as the country itself revives. This is a case where all things work together for good. Our domestic conditions could not improve if foreign affairs also were not improving. Lack of buying power abroad has been the chief cause of the fall of our farm prices for goods of which we exported in 1921 19,276,223 tons. That was an increase of 30 per cent over 1920. Evidently there was no lack of demand for our products, and that makes the fall in prices all the more remarkable."

Grains in Foreign Markets

A Chicago dispatch to The Philadelphia Public Ledger today says: "American markets were closed February 13, but Winnipeg and the foreign markets were open and furnished one of the greatest surprises known over a holiday. Prices for all grains advanced sharply and closed at the highest of the day, as well as the best on the present upturn. Wheat in Winnipeg closed 5 3/4 to 6 1/8¢ higher, while Liverpool finished 2 3/4 to 4d higher for futures and 3d higher for spot. Corn there was higher on reports of damage to the Argentine crop."

Agricultural Conference Comment

"The conference gave a fair and impartial hearing to agriculture and its related industries. While all sides and viewpoints were allowed to be presented, the farmers and their representatives were in the majority and the lack of much serious objection to any of the recommendations or resolutions of the various committees indicates that the interests which depend for their well being upon the prosperity of the farmer now realize that a critical situation does exist and that remedial measures require their support." (The Nebraska Farmer, Feb. 11.)

Modern Farming for February 10 says: "The National Agricultural Conference, called by the Secretary of Agriculture, and having the promise of the complete cooperation of the President and the National Government, has passed into history. It probably will do some good. Like most conventions, however, it covered too much territory in its resolutions, and it would take the average man a week to sift these down and get the real meat out of them. ... The most significant act of the conference, however, was its endorsement of the 'Agricultural Bloc' in congress, which has grown so powerful of late that it can dictate legislation. ... The fact remains, however, that the conference did assert some independence of thought and many of its resolutions, if carried out in the right spirit, will tend to improve agricultural conditions."

Section 2.

Agricultural Bloc

The Price Current-Grain Reporter for February 8 says: "A check to the destructive program of the agricultural bloc not inconceivably may result from the resignation of Senator Kenyon to become a circuit judge, since there is no one in the bloc of equal ability to take up the leadership; and if that should transpire there should be no one, least of all the rational farmer, who should lament. No legislation which isolates a class only can be safe or desirable. There is a further consideration that with the passing of Mr. Kenyon as Senator, the Republican contingent of the bloc seems to be disintegrating as an aggressive militant force. The pressure on the bloc of such measure as the collective marketing bill and the Ladd 'minimum price' bill ... are pinching the nerves of the Republican members of the bloc, and, as Senator Stanley is quoted as saying: 'It really begins to look as if the bloc had been blocked.' ... The work of the bloc is not ended as yet, however, the activities of the farmer lobby as regards the Federal Reserve System having simply been transferred to the House. ... It is not impossible that the decline of the bloc in the Senate, with Capper and Ladd as the chief militants left, will be reflected in the House where opposition to tampering with the Federal Reserve Act is increasing."

Cooperative Marketing

"The Pool in Cooperative Marketing," by William R. Camp, in Wallaces' Farmer for February 10, is the first of a series of articles on the methods of cooperative pooling to be published in this periodical. This article says: "Most grain growers, through their cooperative elevator companies, have had the experience of pooling their orders and capital in the cooperative purchase of supplies; but few grain growers have pooled their grain and receipts in an organization for the cooperative marketing of their products. In the cooperative purchase of supplies the members pay the same price for the same grade of product; in the cooperative marketing of farm

products through a pool the purpose is the same, namely, to pay each member the same price for the same grade of products during the period of the pool.' In the cooperative purchase of supplies the amount paid in by members is expended for the products handled minus expenses for handling; that is, business is handled for members at cost."

Exports

The value of American exports in January dropped to the lowest level since August, 1915, according to a statement issued February 13 by the Department of Commerce. Figures for last month show exports valued at $279,000,000 and imports amounting to $216,000,000 The imports total is slightly larger than January, 1921, when the incoming trade was valued at $209,000,000. The decrease in exports values, however, was decided, representing a falling off of $15,000,000 from the previous month of December and a drop of $375,000,000 from January, 1921. The low figure of August, 1915, was $261,000,000. For the seven months ending with January exports aggregated $2,230,000,000, compared with $4,636,000,000 during the corresponding months of 1921. For the seven months ending with January imports aggregated $1,405,000,000, compared with $2,543,000,000 during the corresponding period of 1921.

The Department of Commerce predicts that more than $5,000,000,000 worth of American goods, manufactures and raw materials will be sold abroad during 1922. (Press, Feb. 14.)

Grain Marketing

1. With membership solicitation work making satisfactory progress in the states of Illinois, Nebraska, Indiana, Iowa, Missouri and Minnesota, the number of grain growers who have signed the five year marketing agreement increased to 45,303 last week when the addition of 2,380 were reported from the field during the preceding six day period. Affiliation of 16 farmers' elevators with the terminal marketing agency during the same period brought the national total to 1,029. (U.S. Grain Growers press statement, Feb. 13.)

2. Wallaces' Farmer for February 10 says: "The Grain Dealers' National Association is collecting another fund. This time it is not going to be used to fight the farmer; it is to be used to educate him. This is what President Clement says, and 'Who is Who in the Grain Trade' backs him up. 'The money, let it be understood, is not to be used to fight the farmers,' says this paper. 'It is not necessary to state to the representatives of the association that "fighting the farmers" is about as far removed from the minds of the officers of this organization as day is from night. Fighting the farmers would be about as asinine a policy on the part of the legitimate grain dealers of the country as could well be imagined.' How times have changed! Last year the farmers were to be chastised with scorpions; but this year it seems that nothing stronger than a slap on the wrist is to be permitted. We hope that special notice of this change in policy will be mailed to Mr. Mansfield, manager of last year's campaign. He will be interested. Experience keeps a dear school, but the grain trade will learn in no other. The attempts to bludgeon the cooperative movement to death failed miserably last year. This year, therefore, a new method is to be tried. 'Money is to be used to tell the farmers the facts about the present distributive system.' This is the announcement which the backers of

the plan are making. If they stick to this program, we can all endorse it. Facts about the grain trade are what every farmer wants. No one is in a better position to supply these facts than a group of grain dealers. All the facts are needed, however, and not merely a few carefully selected and prepared for agricultural consumption. ... "

Grain Marketing

3. Referring to the United States Grain Corporation, Inc., The Price Current-Grain Reporter for February 8 says: "This group cannot possibly do more for the farmer in marketing his grain than his own local company can do for him; but on the other hand whatever may be lost by the U.S. G.G., Inc., experiment must be paid by the farmer and the local companies and not by 'the bunch' of idealists who are managing its affairs, or any one of them. It is very easy nowadays to put over quack nostrums on the farmers. It is therefore up to the managers of the local companies to study the position their companies would be in if they should 'hook up' with this communistic experiment. They should point out to their stockholders the nature of the risk and the impossibility that any substantial benefit could result from abandoning their own independent organizations, and giving up to strangers the control of their own capital by signing the complicated and one-sided contract with the U.S.G.G.,Inc."

Prices

"It is no use for the jobber to blame the wholesaler and the wholesaler to blame the retailer. They can talk all they please about the commission man and the warehouseman, the railroads and the truckman. The fact remains that the consumer is asked to pay so much that his use of farm products is being reduced and of these too high prices the producer is getting less than the cost of production. The difference is too great. The farmer right now has no time to find out who is to blame. He wants relief and if he doesn't get it, there will be fences to mend next fall that won't get mended in time. Congress has before it the plain duty of solving the problem of the farmer. Never before in the history of the world was the plight of the farmer so bitterly felt and so perfectly understood. Remedial legislation has not yet been framed. That is a detail to be worked out. But unless it is worked out before Congress adjourns there is going to be a lot of explaining when congressmen come home. It is up to the manufacturer, the trader and the business man to see that the profits of production are more equitably distributed. In other words, the man who hasn't reduced must come down. Whether his profit is ten per cent or ten hundred per cent is not the point. The fact that he is getting what rightfully belongs to another is the point which will be questioned and until this is satisfactorily answered the farmer will continue to ask the question of each Congress and each Congress will be a different one until the matter is adjusted." (Western Breeders Journal, Feb. 2.)

Seed Legislation

"We may soon expect to see the effects of the influence of the agricultural element in Congress extend to seed legislation. In the past, Congress has devoted but little attention to seeds, as matters pertaining to seeds were considered scarcely of sufficient importance to warrant congressional attention. Then, too, there were few representatives in Congress that knew the seed business or agricultural conditions sufficiently well to know what would be

required in the way of corrective legislation, but with the formation of the agricultural bloc in Congress more attention is being devoted to agricultural matters and the bloc is making special efforts to put through legislation favorable to farming interests. More important questions and legislation are naturally disposed of first, but we would not be surprised to see some attempt made at a later date to secure some form of Federal seed legislation. Indicating the trend in this direction, a South Dakota congressman recently introduced a bill requiring dealers in alfalfa and red clover seed to keep a stock record and to label containers when the seed is sold with the lot number so that the origin of the seed may be subsequently identified." (The Seed World, Feb. 3.)

St. Lawrence Waterway

"There are two possibilities of the new waterway reducing the freight rates from the upper Lakes to oversea. Either the ocean vessel could come up to Chicago or Duluth and load, or the Lake vessel could go down through the canals and discharge into ocean vessels at Montreal, head of ocean navigation on the St. Lawrence. Lake vessles could not go beyond this point because they are structurally unfit for ocean navigation. Export grain is the chief commodity that would move through the St. Lawrence. Insofar as it moved directly from Lake ports, it would be mainly exported in full-cargo lots on tramp steamers. It seems unlikely that these vessels could afford to go up to the head of the Lakes for grain and carry it at rates comparable with those the Lake vessels could offer to the seaboard. As a matter of fact the most intelligent of the St. Lawrence proponents do not expect ocean vessels to come to the head of the Lakes. They expect the Lake vessels to go down to Montreal. This is assumed by Julius Barnes, former director of the United States Grain Corporation, in his estimate of the prospective saving in transportation costs. Mr. West, a shipbuilder of Manitowoc, Wisc., one of the Vice-Presidents of the Great Lakes-St. Lawrence Tide Water Association, denies that the Lake vessels will be injured by competition of ocean carriers, which could not possibly meet the Lake rates. He says that on the contrary the Lake carriers will have their sphere of action extended by being let through to the seaboard. So much for grain. It is not impossible that the new route will see the establishment of liner services between the Lake ports and abroad, carrying manufactured products and grain for ballast." (The New Republic, Feb. 8.)

Wages

Farm hands will probably be paid prewar wages this summer in New Jersey, judging from the sentiment of a meeting of farmers and others interested in the wage question at Mickleton, N.J., February 13. The general feeling was that a single farm hand will not be offered more than $20 a month, with board, while at the peak of the harvesting season throughout the war period it was necessary to pay as high as $100 a month, with board, to get farm labor. (Philadelphia Ledger, Feb. 14.)

Section 3.

(No market quotations on account of holiday February 13 in market centers.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Vol. IV, no. 38. Section 1. February 15,1922.

Secretary Wallace on Ford Lease Plan

The Associated Press to-day says: "Henry C. Wallace, Secretary of Agriculture, 'looks with favor' upon Henry Ford's offer for purchase and lease of the Government's nitrate and waterpower projects at Muscle Shoals, Ala., 'if its terms are sufficiently definite and binding to make sure the plant will be operated continuously for the manufacture of fertilizer.' Dr. Richard C. Tolman, Director of the Fixed Nitrogen Research Laboratory of the department, announced the Secretary's position with regard to the Ford offer, in an authorized statement he read February 14 before the House Military Affairs Committee. The Secretary's views, as expressed by the witness, were that, if the terms were as he had outlined, the proposal would 'result in making available a considerably increased supply of fertilizer in time of peace and give us assurance of adequate supplies of explosives in case of need.'

"Examination of W. B. Mayo, chief engineer and personal representative of Henry Ford, took up more than five hours. His testimony included repeated statements that Mr. Ford intended to manufacture fertilizers in their completed forms at the maximum production capacity of the Muscle Shoals plants, and would make every effort to manufacture them at a minimum cost to the farmers, using every known formulae and working his chemists meanwhile to discover improved methods."

Soldier Bonus Legislation

In connection with its outline of President Harding's attitude toward measures proposed to raise funds for soldier bonus payments, The New York Times to-day says: "Even if the President should favor a small sales tax there would be strong opposition to it in the House and the Senate. Republican members of the House went on record in caucus against such a tax, and the opposition is now stronger among the farm bloc than it was a while ago. If sales of farm products were exempted, members of Congress from the East would be likely to oppose it as being class legislation."

Wheat Price Jumps $6\frac{1}{2}$ cents in Chicago

An Associated Press dispatch from Chicago says: "Exciting trading and a big jump in prices kept the wheat pit of the Chicago board of trade in a whirl February 14. ... The major part of a rise of $6\frac{1}{2}$ cents a bushel in the price of wheat which took place at the outset, was retained, with the market quivering at 1.38\frac{1}{2}$ to $1.38 5/8 a bushel for the May option and $1.21 3/4 to $1.21 7/8 for July, the two months in which speculative dealings are at present centered. ... "

A dispatch from Minneapolis states that flour scored an advance of 65 cents a barrel at one of the largest mills there February 14 as a result of the strong wheat market.

Agricultural Conference Comment

The preface to a lengthy article on "Federal Reserve and the Farmer," by David Friday, in The New Republic for February 15, says: "Now that the National Agricultural Conference has come to a close without condemning the policy of the Federal Reserve System during the past few years and without more than passing mention of the board, it is fair to assume that the danger of a drastic assault upon the board and its members is pretty well over. Nowhere in the numerous recommendations and resolutions of that conference can one find any really condemnatory utterance. This will come as a surprise to those who had supposed that the perfervid utterances of certain senators and the flamboyant accusations of John Skelton Williams represented the opinion of the agricultural regions."

The Ohio Farmer for February 11 says: "Scores of people have asked what definite results may be expected from the recent National Agricultural Conference. ... It may be stated that one of the results is that the case of the farmer is set squarely before the public, which had previously been rather in the dark as to his conditions. The farmer is not broke. He is merely compelled to slow down on account of the sticky going; now and then he is compelled to stop temporarily until he thaws out some of the frozen credits that have clogged his wheels. In an effort to provide means to help out this situation the delegates made a number of constructive suggestions that will undoubtedly help Congress to concentrate on certain measures that should help the farming business by providing financial accommodation that agriculture needs and by providing for the conduct of group dealing which farmers can utilize to improve their business. ... The greater criticism was directed at some of the national agreements that have so greatly increased the cost of railway operation. The recommendations of some of the committees are far-reaching and will have to be studied and analyzed before they are fully appreciated. Congress has a better background upon which to base agricultural legislation, and the general public seems to realize more than ever before the fact that genuine prosperity rests largely on the business status of the farmer. These are probably as broad as any of the results of the conference."

Pennsylvania Farmer for February 11 says: "We do not pretend to know what was uppermost in the mind of the President in this move, or what was the chief inspiration to the calling of the Agricultural Conference, but one thing is certain: if there were any ulterior motives, as suggested by politicians and Big Business, they have failed to 'dynamite' the crystalized agricultural sentiment out of the path of the reactionaries. Threats, false promises and talk of bogies and goblins are no longer effective in dissipating the efforts of loyal and patriotic farmers when they set their hands to saving their businesses and incidentally the life of the nation from bankruptcy and ruin."

Section 2.

Agricultural Bloc

1. "Can the Farmer be Bought Off?" is the title of an editorial in The New Republic for February 15, which says in part: "It is now many months since the agricultural bloc first emerged as the most powerful single influence in national legislation. During the special session of Congress it vetoed many of the important bills proposed by the Republican leaders and the administration; and the fiscal and tariff legislation in the form in which it finally assumed was far more agreeable to the agrarian Senators than it was to their fellow Republicans from the East. There is no sign as yet of any diminution in the disposition or the ability of the agricultural bloc to control the output of the Congress. Both the administration and the Republican leaders are disturbed by the prospect that the new tariff and the new tax bills will not pull through the process of the state agenda-

tion in a condition any more satisfactory to them than did the makeshift measures of the special session. ... The expectation of a breach in the coalition between American agriculture and industry which has given vitality to the Republican party may, we must admit, share the usual fate of political prophecies. American partisan loyalties are capable of surviving terrific strains. The Republican organism is now sustained by sources of strength wholly independent of its original composition and it will survive any dislocating influences which are not the product of a fundamental alteration in the distribution and balance of social power. Such changes are, no doubt, bound to accrue in the course of time, but it is easy to anticipate a speedier triumph on their part than they are capable of winning. Yet if the Republican party does survive for many years the in reasing conflict between the agricultural and industrial interest, it can hardly shine during this period of distraction as an example of political economy and efficiency."

Agricultural Bloc

2. E. E. Miller says, in the Southern Agriculturist for February 15: "Let no reader imagine that I agree with all the proposals that have been put forward by the bloc or some of its members. Even its most representative and well balanced members have indorsed measures which seem to me calculated to do harm rather than good. Two or three members of the bloc need nothing so much as a good muzzle. These members persistently talk nonsense in limitless quantities and are injuring the cause of the farmer all the time. Other members, however, are thoughtful, responsible, fair-minded men of ability. The bloc has been of real service to the farmers and to the whole country by calling attention to the farmers' needs and by forcing the Administration and Congress as a whole to keep constantly in mind the great farming interest, its wishes, and its needs."

Agricultural Financing

The War Finance Corporation announces that from February 9, to February 11, 1922, inclusive, it approved 154 advances, aggregating $4,821,000, for agricultural and live-stock purposes in 27 States. During the week ending February 11, 1922, the Corporation approved a total of 320 advances, aggregating $10,040,000, for agricultural and live-stock purposes. (W. F. C. press statement, Feb. 14.)

Corn Acreage

"One of our Iowa readers believes there is an actual world shortage of corn which would become fully apparent if our transportation and distribution systems were only functioning properly. He calls attention to the fact that it now costs 50 cents a bushel to carry corn from the Iowa farm to Liverpool, whereas, before the war it cost only about 25 cents a bushel. The additional 25 cents charge is proof positive to his mind that there is something wrong with our transportation and distributing systems. There is a certain amount of truth in this argument. The railroad and steamship companies between them get of this additional 25 cents which is now charged, 10 or 12 cents. This 10 or 12 cents does not go to the railroad and steamship companies, however, but to the railroad and steamship labor, to coal miners, and to steel workers who are exacting wages from 50 to 100 per cent above the prewar. The other 15 cents a bushel seems to be appropriated by exporters who are not willing to do business with European countries unless they can make an exorbitant profit. They face the peril of a fluctuating exchange, and also the credit of

many of the European dealers is of very shaky character. We are not justifying the exporters, for we believe they are exacting altogether too large a margin. The fact remains, however, that during the price decline, these exporters suffered some very serious losses, and that now they seem to be playing exceedingly safe in an effort to make back these losses. What bearing does all of this have on the acreage which the corn belt should plant next spring? Our Iowa friend feels that the starving millions of Europe will need all the corn we have, and that we should plant a normal acreage. We think, however, that while there will be a slight reduction in the wages of labor, that the reduction will not reduce the railroad and steamship charge per bushel on corn between Iowa and Liverpool by more than 3 cents. We feel that European credit generally will be almost as shaky in 1922 as it has been in 1921, and that the exporters will continue to demand an unusually large margin for doing business. ... The mere fact that transportation, distributing, and credit systems are not functioning normally is an argument in favor of corn acreage reduction rather than an argument against it." (Wallaces' Farmer, Feb. 10.)

Grain Marketing

"The National Grain Dealers' Association spent $72,657 in six months of last year in combating the farmers' cooperative marketing movement, according to Charles Quinn, of Toledo, Ohio, secretary of the association, who has testified to that effect before a Senate committee investigating charges that the organization has raised $250,000 to oppose the plans of the U. S. Grain Growers, Inc. The witness attacked Secretary Wallace, of the Department of Agriculture, for what he termed the Secretary's failure to 'check the pernicious political activity of farm bureau county agents.' " (The Northwestern Miller, Feb. 8.)

Muscle Shoals

An editorial in Southern Agriculturist for February 15 calls attention to the campaign of the National Fertilizer Association against the development of the Muscle Shoals plant. This says in part: "Henry Ford thinks he can produce nitrate fertilizers at low cost at Muscle Shoals. Thomas Edison says he can. He has plenty of money to put into the experiment. If he succeeds in doing it the farmers of the United States will profit immensely. If he fails, the failure will cost the American Fertilizer Association absolutely nothing. Why, then, should that Association be spending thousands of dollars trying to prevent his having the opportunity to make the experiment? The answer is obvious -- the American Fertilizer Association is not worrying over the high-priced sulphate of ammonia the Muscle Shoals plant may turn out; it is disturbed lest the plant produce some other nitrate that can be sold at low cost. As a piece of purely selfish and exceedingly little business this campaign of the Fertilizer Association would be hard to match."

Section 3.

Department of Agriculture

An editorial, based upon Secretary Wallace's recent statement on excessive interest rates to farmers, in The Northwestern Banker for February, says: "The latest accusation that is being hurled at the insurance companies and the farm mortgage companies

comes from the Secretary of Agriculture. ... It has been observed that farmers, like other individuals, buy their automobiles and farm products where they can get them the best and the cheapest. These same farmers also buy their money where they can get it the cheapest. No farmer is going to pay 7% for money if he can get it for 6%, nor is he going to pay 6% if he can get it for 5%. ... If, as the Secretary of Agriculture says, some insurance companies and farm mortgage concerns are exacting extortionate rates from their farmer customers it seems strange that any of these companies would remain in business when the Federal Land Banks will loan money to the farmers at 6%. The Federal Land Banks were established by the Government to help finance the farmer. These banks are prohibited by law from charging more than 6% to their customers. The bonds which they issue are tax exempt and are constantly being purchased by individuals with large incomes for the purpose of evading national and state taxation. The Government has done everything within its power to help the Federal Land Banks do business on a very small margin in order to give the farmers cheap money. With such an agency in existence, why then do farmers go to independent mortgage companies for their loans? The answer is that individual mortgage companies are not charging them excess rates and they are giving them real service. ... "

Section 4.

MARKET QUOTATIONS.

Farm Products

Feb. 14: Sharp advance in foreign grain markets over holiday led to general buying of all grains and the undertone of the Chicago market was strong throughout. Visible supply wheat 42,117,000 bushels, a decrease of 163,000 bushels for week. Visible supply corn 34,772,000 bushels, an increase of 3,994,000 bushels for week. Chicago May wheat higher at $1.38 1/2; Chicago May corn higher at 63 3/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.40; No. 2 hard winter wheat $1.34; No. 2 mixed corn 58¢; No 3 white oats 37¢. Average farm prices: No 2 mixed corn in Central Iowa about 42¢; No. 1 dark northern wheat in Central North Dakota $1.32 1/4; No. 2 hard winter wheat in Central Kansas $1.16.

Chicago hog prices higher, bulk of sales $9.70 to $10.10. Beef steers mostly 15¢ higher; medium and good beef steers $7 to $9.15. Butcher cows and heifers steady at $4 to $7.75. Best fat lambs up 25¢ to 50¢; others strong to 25¢ higher; fat lambs $13 to $15.30.

Potato markets slightly weaker. Maine Green Mountains, in bulk, steady f.o.b. at $1.46 per 100 lbs. Maine Baldwin apples No.1 from cold storage $7.50 to $8 per bbl. New Jersey yellow sweet potatoes in bushel hampers steady in Pittsburgh and New York at $2.15 to $2.25.

Spot cotton up 41 points closing at 16.85¢ per lb. New York March futures up 53 points at 17.82¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 14: Average closing price 20 industrials 83.81, as compared with 76.41 corresponding day 1921; average closing price 20 railroad stocks 77.46, as compared with 74.19. (Wall St. Jour., Feb. 15.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 39. Section 1. February 16,1922.

President Harding on Conferences

President Harding declared he considered it inadvisable at this time to call a national housing conference, in a letter to Senator King, made public February 15. "While some good came from the conference on unemployment," the President stated, and while he hoped "good results will follow the agricultural conference," he considered it advisable to await "substantial evidences of accomplishment" of the conferences already held before calling any more. (Press, Feb. 16.)

Muscle Shoals

A rival offer to that of Henry Ford for the Government water power project at Muscle Shoals, Ala., was submitted to the office of the Secretary of War, February 15, by the Alabama Power Company, of Birmingham, Ala., by Thomas W. Martin, its president. This makes the fourth offer for the project. The Alabama Power Company's offer is for purchase of the Warrior power plant and transmission line and lease for fifty years of the other properties under provisions of the Federal Water Power Act.(Press 2/16

Yesterday's meeting of the House Military Affairs Committee heard an appeal from Governor Taylor, of Tennessee, urging adoption by Congress of Henry Ford's offer to take over the Government's power properties at Muscle Shoals. Dr. Milton Whitney, Chief, Bureau of Soils, Department of Agriculture, also testified before the committee. Dr. Whitney explained that the fixed nitrogen products such as this plant is designed to produce will necessarily involve changes in present fertilizers and will lead to concentrated fertilizers that will eliminate natural and artificial fillers, which will reduce the cost of freight transportation. He expressed his opinion that the time had come to make radical changes in the manufacture of commercial fertilizers and to establish the industry on a chemical basis instead of on the utilization of scavenger and waste products as at present.

The Agricultural Situation

Declaration that the farmers must be lifted out of their condition or the country's entire business life be drawn into a gigantic sinkhole, was made before the Senate agriculture committee yesterday by Frank W. Mish, a member of the Maryland State senate. Farmers are described by Mr. Mish as between two millstones, "organized labor fixing prices on one side, and organized business fixing on the other, and we are being ground to pieces between." The witness told the committee that unless the Government would go to the rescue of the agricultural producers, there seemed to be only one alternative, the organization of a gigantic farm union. (Press, Feb. 16.)

Lumber Industry

The Federal Trade Commission, submitting to Congress, February 15, the fourth of a series of reports dealing with the lumber industry, declared that lumber manufacturers of Idaho, western Montana and eastern Oregon "have organized and conducted the Western Pine Manufacturers Association for the primary purpose of agreeing on the prices of their lumber." (Press, Feb. 16.)

Wheat Grading Irregularities Charged

George D. Mozely, of Dickinson, Ills., urged an immediate investigation of alleged irregularities in grading wheat, before the Senate Committee on Agriculture, February 14. (Press, Feb. 15.)

Cotton Futures Act Change Opposed

A group of southern spot cotton merchants voiced their opposition to any change in the Smith-Lever Cotton Futures Act, before the House Committee on Agriculture, February 14. (Press, Feb. 15.)

Section 2.

Cotton

The Wall Street Journal to-day says in an editorial: "Census Bureau figures show that there were 526,552 bales of cotton consumed in domestic mills in January. That business is gradually improving is therefore clear. Compared with a year ago the increase is more than 44 per cent. This increase is not a mere feverish flush, but is real strength. The cotton season opens on the first of August of every year. Comparing the total consumption for the first six months of the current season with that of the preceding year it will be seen that the gain is 30 per cent. The 1919-20 season was the period of postwar prosperity. Compared with the first six months of that period, mills in the past six months have averaged 96 per cent of capacity. The cotton business now faces the strike in New England mills, affecting about 50,000 workers. But the Stock Exchange maxim of 'Never sell on strike news' may apply here. In present conditions it seems as if the strike leaders are conducting a fight where they have much to lose and nothing to gain. Resumption of work at lower wages is the only possible outcome. Exports in this same six months period were 3,584,270 bales. Compared with prewar figures the showing is not a good one. But in the same period of a year ago the total was 3,035,743 bales. Therefore, substantial improvement is shown. Cheap money and rising prices have made it desirable for Germany to take nearly 40 per cent more cotton than a year ago. France has taken more, and Japan's takings are four times what they were in the 1921 period. Great Britain is still struggling with the labor question; the unemployment doles have proved a handicap to production, because there is no incentive to work when the shirker can live without it. Consequently, the wage question has hampered the greatest foreign consumer of American cotton. However, the entire European question is slowly improving. The improvement is not coming through easy methods of getting further into debt, but by work and by production as fast as markets can be found for goods. Europe has already taken 3,584,270 bales, which, added to domestic consumption, gives a total of 6,595,727

for the first six months of the crop year. This makes a consumption of near 12,500,000 bales for the season seem probable. In view of the season's stocks, this would place the situation where it could be said that demand had overtaken supply."

Farmer on Reserve Board

Commercial West for February 11 quotes the following from a statement by G. M. Mumford, president of the Commonwealth Trust Company, Boston, on "Class Legislation", as it relates to the appointment of a farmer on the Federal Reserve Board: "There naturally could be no objection under the Act as it now stands to having the President appoint a gentleman who had been or still was a druggist, a mill man, a cotton planter, or engaged in any other occupation to a vacancy on the board. He would be expected to be and probably would prove an impartial director, working solely for the best interests of all. But when the law directs the President to pick out a representative of one class of borrowers, that man would rightly assume that he is so picked out in order to forward the interests of the borrowers in the class to which he belongs, and that it is his duty to help that class, something which he could only do at the expense of all the rest of the borrowing community. This issue, because of its very strong backing and the dangerous example it sets to other special interests in business, and in politics as well, suggests very dangerous possibilities."

Farm Machinery Prices in Canada

Farm machinery prices, February 14, were cut 40 per cent under those of last year by the United Grain Growers, Ltd., according to a dispatch from Winnipeg to the press of February 16.

Foreign Trade

"America's industrial progress is inexorably linked with her foreign trade, and it is impossible for the United States to achieve its prewar prosperity by a revival of domestic business alone, according to Dr. Henry A. E. Chandler, economist of the National City Bank. Dr. Chandler takes issue with those who belive that, since foreign trade represents not more than 10 to 15 per cent of America's total commerce, the loss of a part of it would leave a sufficient percentage of the whole to insure reasonable prosperity. Dr. Chandler points out in a bulletin of the bank that economic investigation proves that, 'even during periods of depression, volume of national business, after allowing for price changes, seldom departs from normal by more than 15 per cent, and often by small percentages; and a seemingly small reduction in the percentage of gross business may have great significance when translated into terms of net profits and thus into final buying capacity. In view of the decline in foreign buying capacity it has been suggested that we may have to reduce our output to conform much more nearly to domestic demands and thus in the future prevent the accumulation of surpluses similar to those that have so recently demoralized some of our principal markets. Undoubtedly such a reduction can be effected in part, and indeed to some extent has already been done, but as a practical movement upon a large scale it is beset with great difficulties.' "
(N. Y. Times, Feb. 14.)

Forestation in Canada

Twenty-five million trees have been distributed in the last five years from the Canadian Government's forest nursery station at Indian Head, Saskatchewan, and planted throughout the prairie provinces of Manitoba, Saskatchewan and Alberta. The nursery has been distributing trees since 1901. In the last few years the average has reached 5,000,000 a year. The trees are planted by towns and villages along their streets and by farmers about their homes for shade and beauty and along the edges of their fields to provide shelter for live stock and windbreaks for the crops. (N.Y. Times, Feb. 14.)

Land Values in South Dakota

A communication from Pierre, S.D., to Commercial West for February 11 says: "That the levy for general state purposes shows a decrease of 42 per cent over that of the past year is the showing of the State tax commission in its annual report, just delivered by the printer. It is shown that the average valuation of a quarter section of land under the assessment of last year was $7,042.40, which on the levy made for the year called for an average payment of $11.27 State tax. The average valuation of a quarter section in the State this year is $6,531.20, which calls for an average State tax per quarter section of $6.53. The State general levy has been reduced from 1.6 mills last year for general purposes to a straight one mill this year and in many cases local taxes are also being reduced to meet existing conditions."

Muscle Shoals Before Congress

An editorial in to-day's Journal of Commerce says: "Several members of Congress seem to be under the curious delusion that it is a matter of their concern what Mr. Ford plans to do with the Muscle Shoals property if he is allowed to take possession of it. The fact is that if he abides by the laws of the land his disposition of the power derived there is his own affair. ... No doubt exists in the minds of those who ought to know that much better terms of sale or lease can be had than those offered by Mr. Ford. Will officials at Washington allow themselves to be led by wild dreams to aid the farmers into an unbusinesslike and unjust arrangement with the automobile manufacturer?"

Section 3.

Department of Agriculture

"Our Agricultural Exports in Danger: Should Foreign Countries Adopt F.H.B. Principles, They Could Fatally Cripple Our Export Trade -- Are We Taking Precautions 'Not Wisely But Too Well? ' " are the title and sub-title of an extensive article by John Kingdon Smith in The Florists' Exchange for February 11. This says in part: "There are, unfortunately, no known means by which plants, fruits or seeds can be made absolutely free and clean from plant diseases, no matter whether the product is of United States or foreign origin. Since this is an indisputable truth it should follow that if Europe is willing to take our products under this risk of infections, we should be willing to take theirs. However, the Federal Horticultural Board does not feel that way about it. It issued in June 1919 Quarantine No. 37, which forbids the importation of large classes of plants and plant products from nearly all foreign countries, and indications seem to point to more severe rather than less severe restrictions in future. The Federal Horticultural Board either

overlooks our own large exports of plant products, or it assumes that foreign countries have got to take our plant products while we can safely refuse to take theirs. ... "

An editorial in the same issue says regarding this article: "One would think, offhand, that it would be hard to discuss any aspect of Quarantine 37 calmly, dispassionately, without rancor, and still get anything novel into the discussion. Yet that is exactly what John Kingdon Smith has done in the article in this issue on 'Our Agricultural Exports in Danger,' to which we commend every reader of The Exchange whether pre-quarantine, anti-quarantine or neutral. The effect of the F.H.B. policy upon our export trade in grains, fruits and other agricultural products not actually involved in the quarantine, but of paramount importance to our national life and commerce, has not, to our knowledge, been emphasized. We are glad that this opening analysis of the subject could be so comprehensive, dignified, and convincing. We cannot help wonder how much thought has been given to this side of the matter by our farmers, grain dealers, fruit growers and exporters. And we wonder if Secretary of Agriculture Wallace has had his attention called to this aspect of the subject."

Section 4.

MARKET QUOTATIONS.

Farm Products

Feb. 15: Grain prices advanced on unfavorable crop reports, revival of milling and flour demand, and confirmation of close adjustment of world wheat supply to demand; Chicago May wheat higher at $1.41; Chicago May corn higher at 63¢. Closing prices in Chicago cash market: No. 2 red winter wheat $1.39; No. 2 hard winter wheat $1.35; No. 2 yellow corn 57¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in Central Iowa about 44¢; No. 1 dark northern wheat in Central North Dakota $1.34 5/8; No. 2 hard winter wheat in Central Kansas $1.15.

Chicago hog prices steady to higher, bulk of sales $9.75 to $10.15. Beef steers active, medium and good beef steers $7.25 to $9.15. Butcher cows and heifers steady to strong at $4 to $7.75. Sheep and lambs steady to strong; fat lambs $13 to $15.30.

Chicago potato market slightly weaker; other markets nearly steady. New York sacked Round Whites weaker at $1.82 to $1.92 per 100 lbs; Maine Green Mountains in bulk weak f.o.b. at $1.41 to $1.46, New York Baldwin apples A 2 1/2 steady f.o.b. wire orders at $7 to $7.25 per bbl. Danish type cabbage f.o.b. $30 to $32 per ton bulk.

Hay market generally weak; light demand; heavy receipts poor quality hay. Feed markets generally firm. Wheatfeeds higher but jobbers not inclined to buy at the advance.

Butter markets steady. Cheese markets firm with price tendency higher at Wisconsin country points.

Spot cotton up 9 points closing at 16.96¢ per lb. New York March futures up 9 points at 17.93¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 15: Average closing price 20 industrials 84.09, as compared with 77.14 corresponding day 1921; average closing price 20 railroad stocks 77.49, as compared with 74.08. (Wall St. Jour., Feb. 16.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news, particularly of an economic character, bearing upon the work of the Department. Prepared in the Press Service, Office of the Secretary, with the cooperation of the Bureaus.

Vol. IV, no. 40. Section 1. February 17,1922.

President Advocates Sales Tax for Bonus

President Harding, in a letter to Chairman Fordney, of the House Ways and Means Committee, February 16, declared a general sales tax was the only feasible method of raising revenue for a soldier bonus. Mr. Harding said that if a sales tax were not practicable at this time bonus legislation should be deferred. (Press, Feb. 17.)

Agricultural Bloc Opposed to Sales Tax

The Associated Press to-day says: "Leaders of the agricultural bloc were outspoken against a general sales tax and threatened to counter with a program which would include reenactment of the excess profits and higher income surtaxes and an increase in inheritance and some other such taxes. This plan also was favored by some Democratic leaders. ..."

Kenyon Unemployment Bill to Senate Labor Committee

The Senate, February 16, recommitted to its Committee on Labor the Kenyon bill to give the President power to speed up in slack times and retard in prosperous times construction of public works as an aid to employment conditions. The action was taken after an amendment had been adopted which Senator Kenyon, author of the bill, said destroyed the measure. It was believed that the return of the measure to the committee meant its death. (Press, Feb. 17.)

Capper May Succeed Kenyon as Bloc Leader

The Senate agricultural bloc, its members declared February 16, would continue in more or less active form despite the resignation from the Senate of its organizer and official chairman, Senator Kenyon, according to a dispatch to The New York Times to-day. Indications point to Senator Capper as the successor of Senator Kenyon as bloc chairman, the dispatch states.

Howard Defends Agricultural Bloc

The question, "Why is a Farmers' Bloc?" was answered by James R. Howard, president of the American Farm Bureau Federation, in an address before the American Association of Advertising Agencies, in New York, February 16, according to a report in to-day's New York Times. Reviewing the accomplishments of the bloc in Congress, Mr. Howard said: "For years the farmers have listened to

pre-election promises that were forgotten almost before the votes were counted. In the six months since the formation of the agricultural bloc in Congress there has been more constructive agricultural legislation enacted than in any ten years preceding."

Would Remit Grazing Fees

Under a resolution, February 16, by Senator King, grazing fees during 1922 in the national forest reservations would be remitted and canceled, Senator King announcing that cattle growers are unable to pay the fees owing to bankrupt financial conditions of the industry. (Press, Feb. 17.)

Muscle Shoals Inspection

From the Senate Committee on Agriculture, Chairman Norris reported a resolution authorizing the full committee to proceed to the site of the Muscle Shoals project and make a personal inspection of the plant. A suggestion by Representative Miller that the House Military Affairs Committee members who are investigating the Ford offer also visit the properties was tentatively considered by the committee, February 16. (Press, Feb. 17.)

Genoa Conference Postponement

The probability of a delay of three weeks in the opening of the Genoa Economic Conference was conceded in British official circles February 16. This was the first intimation in such circles that the French were likely to win their contention that it was impossible to start the conference on the date originally chosen, March 8. (Assoc. Press, Feb. 17.)

Section 2.

Agricultural Financing

"Is the banking business run on a double standard? Does the city business man often get credit which is denied the farmer though the security offered be the same? The average banker will, of course, indignantly deny these allegations but there is ample evidence to prove that they are true. While we know of many bankers who are doing everything possible to help out their farmer customers during this stringent period we know of many others who have no such conception of their duty to their community. It is now well established that the Federal Reserve banks forced liquidation of farm loans at the same time they were handing out money lavishly to speculators. Farmers who needed legitimate loans to carry on their farming business were often turned down whilst men engaged in the questionable enterprise of playing the stock market had no difficulty in getting all the money they needed to finance their operations. More recently information comes that farmers in Michigan are not only being refused additional loans with which to make absolutely necessary purchases but are being pressed to pay their existing indebtedness. But we have heard of no cases of city business men with good security to offer being refused their usual line of credit." (The Michigan Business Farmer, Feb. 11.)

Agricultural National Chamber

The Farmer (St. Paul) for February 11 says in an editorial entitled "A National Chamber of Agriculture": "While in office, the former Secretary of Agriculture, Mr. E. T. Meredith, offered what we considered a valuable suggestion to the effect that there should be created a United States Chamber of Agriculture to do for agriculture the work that the Chamber of Commerce of the United States doe for business -- a clearing house for ideas and a mouthpiece for representative opinion. We have no such centralized organization for agriculture at the present time. On the contrary we have some fifteen or twenty separate agricultural organizations, several of which are national in character, each of which attempts to speak authoritatively for agriculture. ... We would like to revive at this time the excellent idea that there should be formed one National Chamber of Agriculture. All farm organizations, however much they may vary in their purpose or work, could take out membership in this overhead organization. Such an organization could collect the average opinion of farmers the country over, by means of the referendum vote and accurately voice this opinion at times when it is needed. Working in harmony with the U. S. Department of Agriculture and other agencies devoted to agricultural welfare, such an organization could wield quite as effective an influence in the agricultural world as the Chamber of Commerce of the United States now exerts in the business world. Farmers are now scattering their energies and influence because of too many rival organizations. The time is at hand when this should be stopped. No organizations which serve a useful purpose need be put out of business, because each organization can continue its own work. There should be, however, a general marshaling of forces in a central organization in which all individual organizations can be represented."

Cotton

The Journal of Commerce for February 16 says in an editorial on the "Source of Cotton Planter's Difficulties": " 'If ... our Eastern market for cottons is narrowed the United States sells less raw cotton to us.' These words from the mouth of a prominent British banker are well worth the careful thought of our cotton planters and their zealous but often mistaken sympathizers in Washington. The trouble all along has been not so much a lack of credits for use in exporting our raw cotton, but rather the absence of strong demand for finished goods at prevailing prices. Until normal effective demand for the manufacture of the staple is restored our cotton planters are not likely to attain a very stable and prosperous footing. Contrary to what seems to be a rather popular belief, the way out lies in reducing costs and prices of finished goods in order that they may find a ready market. In short, no amount of banking and credit palliatives will meet the needs of the cotton planters. Their full rehabilitation will in all probability await upon the reestablishment of industry upon an efficient and prosperous basis."

Filled Milk Legislation

The Wisconsin Dairymen's Association and the Wisconsin Farm Bureau Federation at their recent annual meetings passed resolutions favoring the Beck-Fordney Bill now pending in Congress, and which provides for levying a tax on filled milk. The members of these associations declared that the taxing method is the most effective way to control the fraud in this product, and there is no question

about the constitutionality of such legislation. The Wisconsin dairy farmers favor calling the Fordney Bill the Beck-Fordney Bill, because Congressman Beck of Wisconsin introduced in Congress the first bill providing for a tax to control the fraud in filled milk. The members of the Dairymen's Association and the Farm Bureau disapproved of the Voigt Filled Milk Bill as being inadequate and as the "dog in the manger" that may prevent the enactment of any effective legislation. (Hoard's Dairyman, Feb. 17.)

Grain Credit Bureau

"The grain trade is discussing the organization of a credit bureau. The plans have not progressed very far, but the main idea seems to be taking shape. A bureau of some sort that will keep up-to-the-minute information available to all is what is needed. This is nothing that will react on anyone. In a year of disastrous business it is natural that many should get into trouble and it is the desire of the trade to keep these troubles local as far as possible. Other lines of industry have organized credit bureaus with success and the grain trade can do the same." (Western Grain Journal, Feb. 9.)

Interest Rates

Utah Farmer for February 4 says in an editorial: "We were interested to note in the last monthly letter from the Federal Reserve Bank of San Francisco that the discount rates of that bank were to be reduced on January 23 from 5 to 4½ per cent. At the same time reports are coming from all portions of the country of complaint that banks and mortgage companies are levying exorbitant rates of interest, and it has gone so far in some sections that Congressional investigations have been called for. In sections of the South accusations have been made that the banks are charging excessive rates on money which they have gotten from the War Finance Corporation. Interest rates are too high. Farmers can not afford to pay 10 and 12 per cent for money, as many of them are being compelled to do at the present time. With the rates now being further reduced by the Federal Reserve banks, there should be a corresponding decrease in the rates of the local banks."

Rice Marketing

A dispatch from Lake Charles, La., to the press of February 16 states that at a meeting there of Louisiana rice growers, resolutions were adopted instructing the executive committee of the American Rice Growers' Association to continue investigations relative to proposed changes in the charter and organization of the association to enable it to have complete control of the rice crop for the purpose of borrowing money or exporting surpluses or whatever course may be necessary to successfully handle and market the product. Resolutions were also adopted favoring a central marketing organization to handle the entire rice crops of Louisiana, Texas, Arkansas and California.

Tobacco Marketing

A dispatch from Lexington, Ky., to the press of February 15 says: "From the days when buyers went from barn to barn and bought tobacco, to the highly organized Burley Tobacco Cooperative Marketing Association, which this year is advancing as much money to growers on a 40 per cent basis as was paid for the entire crop last season, is the progress made in marketing Kentucky's annual burley tobacco crop of approximately 200,000,000 pounds. ..."

The Breeder's Gazette for February 9 contains a lengthy review

of the Burley Tobacco Growers' Cooperative Association, by C. M. Thomas. This says: "Arrangements have been already perfected throug local and Cincinnati and Louisville banks, and, if necessary, throug the Federal Reserve Bank and the War Finance Corporation, for all money required to make advances. It may be interesting to those studying cooperative marketing to know that organization has already brought about a value sufficiently high to ensure to the grower a 50 per cent advancement, exceeding in amount what he received for his entire crop of the same number of pounds last season. One hundred and ten warehouses, all in the district, have been taken over by means of subsidiary companies, the total cost of which will aggregate between $6,000,000 and $7,000,000. Preferred stock of the subsidiary companies will be issued to the old owners of these warehouses, and as the title was usually in the growers, or in the names of local capitalists in entire sympathy with the growers, no difficulty was found in securing the transfer. Under the plan being followed, at the end of five years, this preferred stock will have been canceled, and the warehouses will be owned by the men who have grown tobacco during the five years, and in proportion to the value of the tobacco each has delivered to the association."

Section 3.
MARKET QUOTATIONS.

Farm Products

Feb. 16: Chicago May wheat reached new high of $1.42 3/4 but later dropped to $1.39 5/8 when overbought condition was disclosed. Chicago May corn closed higher at 63 1/4. Closing prices in Chicago cash market: No. 2 red winter wheat $1.37; No. 2 hard winter wheat $1.32; No. 2 mixed corn 58¢; No. 3 white oats 38¢. Average farm prices: No. 2 mixed corn in Central Iowa about 44 1/2¢; No. 1 dark northern wheat in Central North Dakota $1.34 3/4; No. 2 hard winter wheat in Central Kansas $1.20.

Chicago hog prices higher, bulk of sales $9.90 to $10.30. Beef steers unevenly steady to strong; medium and good beef steers $7.25 to $9.15; butcher cows and heifers $3.90 to $7.75. Fat sheep and lambs unevenly strong to 25¢ higher, fat lambs $13.25 to $15.50.

Potato markets slow and dull. New York sacked Round Whites weaker at $1.82 to $1.88 per 100 lbs. Maine Green Mountains in bulk steady f.o.b. at $1.41 to $1.46. New York Baldwin apples A 2 1/2 f.o.b. wire orders $7 to $7.25 per bbl. Danish type cabbage firm f.o.b. Western New York points at $30 to $33 per ton bulk.

Hay market generally weak because of light demand and heavy receipts of poor quality hay. Only best grades bringing full quotations. Feed markets generally firm.

Butter markets steady to firm. Cheese markets firm with higher prices at country points. Distributing markets also show partly increased strength.

Spot cotton down about 18 points closing around 16.78¢ per lb. New York March futures down 36 points at 17.57¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Feb. 16: Average closing price 20 industrials 83.98, as compared with 76.40 corresponding day 1921; average closing price 20 railroad stocks 77.50, as compared with 73.95. (Wall St. Jour., Feb. 17.)